

## FAIRVIEW HEIGHTS ENTERPRISE ZONE

### APPLICATION SUMMARY STATEMENT

Chief Elected Official: Hon. Gail D. Mitchell, Mayor  
Contact Person: Mr. Mike Malloy, Director of Economic Development

Size of proposed Fairview Heights Enterprise Zone: 0.8 sq. miles (*see boundary map*)  
Is the proposed Enterprise Zone contiguous? Yes  
Is the proposed zone entirely within one municipality? Yes

The boundary of the proposed **Fairview Heights Enterprise Zone** includes all property in the existing Lincoln Trail Tax Increment Financing (TIF) area and all property in both the proposed West TIF #4 and North TIF #5 areas. A 5-foot strip along St. Clair Ave. is used to connect these areas included in the proposed Enterprise Zone. In addition, the City has also placed commercial properties on the south side of Ludwig Dr. at Fairview Heights Plaza within the boundary of the proposed Enterprise Zone. The size of the proposed Enterprise Zone is within the size limitations established by the Illinois Enterprise Zone Act (20 ILCS 655/1 et seq.).

The **Local Labor Market Area (LLMA)** for the proposed Fairview Heights Enterprise Zone is St. Clair County. The LLMA is contiguous, compact, comprised of entire census tracts, located entirely within the State of Illinois, and is an area within which residents of the LLMA can easily change jobs and do not have to relocate outside of its boundaries. Further, regional representatives of the Illinois Department of Employment Security (IDES), with knowledge and understanding of this Enterprise Zone Application and required rules and regulations, have recommended that the City use St. Clair County as the LLMA for the proposed Enterprise Zone.

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### The 10 Eligibility Criteria

The proposed Fairview Heights Enterprise Zone meets all 10 Eligibility Criteria in the Illinois Enterprise Zone Program Application for New Designation, as established by the Illinois Department of Commerce and Economic Opportunity (DCEO).

#### Criterion 1 Unemployment YES

**23** census tracts in the LLMA (St. Clair County) have an average unemployment rate of at least **120%** of the State's average unemployment rate for the most recent calendar year.

#### Criterion 2 Employment Opportunities YES

Designation of the proposed Enterprise Zone will create or retain a minimum aggregate of **1,000** full-time equivalent jobs due to an aggregate investment of **\$100,000,000** or more, and will help alleviate the effects of poverty and unemployment within the LLMA.

#### Criterion 3 Poverty YES

**21** census tracts in the LLMA have a poverty rate of at least **20%**, according to the latest data from the U.S. Census Bureau. Further, **51.5%** of children in participating schools and institutions in the LLMA are eligible for free and reduced-price meals under the National School Lunch Program according to the most recent data available from the Illinois State Board of Education.

**Criterion 4 Coal Mines and Brownfields** YES

There is **one** “problem area” listed on the Illinois Department of Natural Resources Abandoned Mine Locator (AML) within the proposed Fairview Heights Enterprise Zone. Further, records on file with the Illinois State Geological Survey (ISGS) identified **two** abandoned underground coal mines within the boundary of (or intersecting the boundary of) the proposed Enterprise Zone. There were also 29 miscellaneous environmental hazards identified by the Illinois Environmental Protection Agency within the proposed Enterprise Zone.

**Criterion 5 Large Scale Plant Closings** YES

Data from filings made pursuant to the Illinois Worker Adjustment and Retraining Notification Act (WARN) showed that there were **four** occurrences where large employers have downsized, or plants have closed, affecting more than 50 workers in the LLMA, within the five years prior to the date of the Application. Further, there were **18** occurrences where large employers have downsized, or plants have closed, affecting more than 50 workers in the LLMA, within the 10 years prior to the date of the Application.

**Criterion 6 Vacant Structures** YES

An inventory of all vacant structures and parcels in the LLMA, as identified by data made available by the Applicants and found in Multiple Listing Service (MLS), is included in the Application. The determination of such parcels’ and/or units’ vacancy or deterioration was made by the Applicants, and through review of the listings available in the MLS.

**Criterion 7 Tax Base Improvement Plan** YES

A plan demonstrating how designation of the Fairview Heights Enterprise Zone will improve the State and local sales tax base, State income tax base, and property tax base is included in the Application.

**Criterion 8 Public Infrastructure** YES

An inventory of the public infrastructure in the LLMA is included in the Application, which demonstrates that significant public infrastructure exists to support economic development at the time of the Application. Further, a three-year public infrastructure improvement and development plan for the City of Fairview Heights has been included in the Application; this plan provides for large, physical improvements that are permanent in nature and that are needed for the functioning of the community, including transportation, utilities, etc.

**Criterion 9 Career Skills Programs** YES

100% of the high schools or community colleges in the LLMA are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers. Written documentation from more than one high school and/or community college within the LLMA is included in the Application.

**Criterion 10 Equalized Assessed Valuation** YES

The decrease in Equalized Assessed Valuation (EAV) of industrial properties, commercial properties, and industrial/commercial properties in the LLMA is equal to or greater than 50% of the Statewide EAV decrease for the past 5 years.

### **Enterprise Zone Goals and Objectives**

1. Make Lincoln Trail TIF corridor a viable commercial retail portion of the City
  - a. Ongoing redevelopment efforts along Lincoln Trail TIF corridor (public/private effort)
  - b. Provide additional Enterprise Zone incentive to existing Lincoln Trail TIF
  - c. Create uniformity and new “development standard” for this commercial corridor
  - d. Use Enterprise Zone incentive to convert uses along Lincoln Trail to commercial
  - e. Incorporate mixed-use combined retail and residential centers along Lincoln Trail
2. Fill vacancies and redevelop Fairview Heights Plaza at IL 159 and Ludwig (public/private)
  - a. Work with property owner on façade, landscaping and parking lot improvements
  - b. Bring building interiors up to code compliance; subdivide building space for new users
  - c. Remediate physical environmental obstacles required to (re)develop this space and 72 acres of vacant property across railroad tracks
3. Create mixed-use destination district surrounding Fairview Heights MetroLink station
  - a. Utilize four-phase 20-year plan developed by OneSTL to redevelop existing uses into new mixed-use district and develop new Arrowhead industrial park
  - b. Utilize Enterprise Zone and TIF incentives to offset high property tax rates
  - c. Incorporate senior living component into mixed-use district surrounding MetroLink
  - d. Work with MetroLink to improve/lease Metro property before making improvements

### **Incentives to be offered in the Fairview Heights Enterprise Zone:**

1. Sales tax abatement on building materials within the Enterprise Zone; building materials must be permanently affixed to the property and purchased from qualified retailer
2. State utility tax exemption on gas, electricity and Illinois Commerce Commission (ICC) administrative charge; business must document eligible investment and required jobs
3. State investment credit of 0.5% allowed against the State income tax for investments in qualified property placed in service in the Enterprise Zone
4. Waived building permit fees for projects with total (re)development costs under \$500,000

### **Responsibilities of the Zone Administrator:**

1. Administer the City’s business assistance programs (including Enterprise Zone incentive)
2. Responsible for promotion and marketing of Enterprise Zone program
3. Receive, review and respond to Enterprise Zone incentive applications from businesses
4. Present Enterprise Zone incentive applications to Economic Development Commission and Planning Committee prior to City Council approval
5. Write Development Agreements between City and business receiving Zone incentives
6. Issue sales tax abatement on building material certificates to contractors for incentives
7. Check for compliance to ensure businesses are correctly utilizing Enterprise Zone incentive
8. Track the economic impact of incentives offered on the revenues of the City
9. Represent the Enterprise Zone at the Illinois Enterprise Zone Association (IEZA)
10. Post a copy of the Enterprise Zone boundary on the City website and provide an electronic copy to the Illinois Department of Commerce and Economic Opportunity (DCEO)
11. Collect and aggregate the following information: (i) the estimated cost of each building project, broken down into labor and materials; and (ii) within 60 days after the end of the project, the estimated cost of each building project, by cost of labor and materials
12. File a copy of the Enterprise Zone fee schedule with DCEO by April 1 of each year
13. Responsible for applications to DCEO for Enterprise Zone amendments and extensions