

Initial meeting of City of Centralia, Missouri Enhanced Enterprise Zone Board of Directors for Thursday, March 29, 2012.

The meeting was called to order at 7:00 p.m. Mayor Tim Grenke welcomed the attendees. Present were directors Lorry Myers, Harvey Million, Tom Elsbury, and Don Copenhaver. Also present were Lynn Behrns, Don Bormann, Carol Shoemaker, Bernie Andrews, Jacob Barker, James Smith, and Dommick Lee.

Public Hearing

Mayor Grenke opens a public hearing as required by Missouri Statutes. Shoemaker presented a brief overview of the program, which segued into a question and answer session.

According to Shoemaker, Enhanced Enterprise Zones are an elaboration of the earlier Enterprise Zone program. Since 2004, the Department of Economic Development has granted status to 119 separate zones, with more applications being reviewed. Since 2006, EEZs account for more than 6,000 new jobs; and the State has allocated \$24,000,000 per year for tax credits to qualifying businesses.

To achieve an EEZ designation, cities or counties must submit an application, which usually takes 60-90 days to process for approval

Elsbury asked if the EEZ could have “claw-backs” for tax abate, in order to insure businesses fulfill their obligations. Shoemaker said yes; this can be in the City’s adoption resolution (ordinance).

Million asked for more details on how tax abatement and credits worked and Shoemaker provided this information.

EEZs can exist for 25 years. It seems likely that state legislation may have extended their duration before the present statute ends.

Bormann asked about penalties for early closure. Shoemaker again said that this could be in the final resolution (ordinance). Tax credits come after the business has completed its set investments and hiring.

Shoemaker said that an EEZ cannot amend its boundaries; but it is possible for the adopted list of NACIs codes could be changed to diminish or enlarge the set of eligible businesses. A qualified business must pay at least half of the employee health insurance for its new hires and pay wages equal to at least 75% of the county average.

It is possible in the implementing ordinance to adopt a structured, tiered abatement for larger business locations or expansions. Shoemaker will send an example.

Since Sunnydale is in Audrain, it would not be possible to include in a Centralia EEZ, even if it were closer. That would have to come through Audrain County.

The audience was told that the definition of “qualifying investment” includes a purchase of a building, and the addition of personal property. Tax abatements, however, only apply to real

property.

Potential businesses must make individual applications. They would receive help from a DED sales team.

The Board discussion of how designation of Columbia's EEZ was proceeding and how a "run" was created to qualify the census blocks in a possible EEZ.

Grenke closed hearing at about 7:30. Shoemaker and Andrews left.

To organize the Board of Directors, Meyers nominated Elsbury to be Chairman. Copenhaver seconded the motion. On vote, all members voted aye, except Elsbury, who abstained.

Behrns noted that absent members were Glen Brown, the fifth City appointment, and Jed Angell, who is the School District's. The seventh and last position is yet to be decided, since it is a selection of the other taxing districts and none of these had come to the meeting.

The Board discussed how to select a list of qualifying NACIS codes. Behrns had given members each a full list. Some types are not eligible by statute. Columbia, for political reasons, had narrowed its list to have fewer smokestack or non-green codes. Centralia could be broader, maybe not excluding any codes at all. Any candidate still has to abide by City or County zoning.

Behrns suggested that Board had its largest initial task in recommending abatement levels and eligible codes. After that, it will be more reactive, reviewing individual applications for recommendation to Aldermen and DED. The EEZ directors can do recruitment; but more likely this job will fall to the Chamber of commerce, CREDI, REDI, and the state Department of Economic Development. Million asked that the Board have structured input from CREDI and the Chamber.

Behrns will send copies of Columbia's slimmed-down list of codes and Shoemaker's examples of tiered abatement to all directors as soon as possible. Elsbury will call next meeting after a chance for input from others.

Elsbury moved and Million seconded that the meeting adjourn. All directors voted aye.

Meeting adjourned at about 8:20 p.m.