

# DRAFT

## Meeting of City of Centralia, Missouri Enhanced Enterprise Zone Board of Directors for Thursday, June 14, 2012.

The meeting was called to order at 5:30 p.m. by Chairman Elsbury. Also present were Directors Lorry Myers, Don Copenhaver, Jed Angell, and Pat Lensmeyer. Also present were Lynn Behrns, Barry Stephens, Jason Shackelford, Mayor Tim Grenke, and James Smith

Elsbury moved to approve the minutes of the previous meeting. Myers seconded the motion. On roll call vote, all members voted aye, except Angell who abstained. The motion was passed.

Behrns reported four of the five "other taxing entities" had provided letters of approval for the selection of Pat Lensmeyer to be their collective representative. Behrns expects a letter from the Boone County Fire Protection District soon.

Behrns presented lists of NAICS codes accepted by the Mexico EEZ, the Columbia EEZ (through the first of the week), and suggestions from a CREDI subcommittee. Lensmeyer noted that the code numbers were changed by the Federal government for 2012, and that list was an attachment to the email forwarded from Bernie Andrews. The CREDI list retained most of the possible categories. Shackelford said their approach was to go over the list code-by-code and strike those that members felt were bad fits for Centralia. Mostly those related to hazardous products. He noted that most of the Centralia EEZ is up wind of the residential sections of the City.

There followed discussion of some specific categories. Nuclear power generation was excluded by CREDI's list. Elsbury said there as local support for nuclear power. Behrns was not sure if the code was just for active reactors or also for fabrication of reactor parts. He said that REDI supports a proposal of Ameren and Westinghouse to establish mini reactors in Calloway County. In the future this project may be nexus of larger fabrication facilities, with Hubbell involved as a subcontractor. Centralia has the advantage of the main rail lines in Boone County. This detail needs research. Copenhaver inquired as to the lack of interest in railroad in support of local development. Behrns said it appeared to be economics. This might change in future. Elsbury said Chance used to use rail for some shipping. Now they only ship out scrap metal, truck is cheaper.

Angell said the larger list is against the trend of other EEZs. This could give us an advantage, which was important in competing with more than 119 other agencies.

Stephens ask if the list is very inclusive could the EEZ latter negate proposals from particular companies. Behrns said that he was first told the EEZ had that authority. Since then, Columbia's experience made it apparent that such was not the case. The list of qualified codes was similar to zoning uses-by-right. EEZs work principally to recommend first standards. Then they access if an individual proposal is within the categories allowed, and (if appropriate) the level of abatement. Prospects must still comply with regular city and county ordinances and zoning. Much of the included county land could actually require rezoning, so there is much oversight.

Committee agreed on the desirability of abatement clawbacks if a business fails to deliver on investments and employment requirements.

Lensmeyer related the suggestion she made to the Columbia EEZ. They (and Centralia) should fix abatement amounts at the value upon completion. Then it would not raise with general property valuations over time. (The amount could rise if more qualified improvements are added at a latter date.) She noted that Columbia was staying at the minimum 50% abatement level. Behrns furnish an example of an EEZ with a sliding scale. Angell suggested an inverted scale, with abatements lowering for high employment additions. Centralia's current goal would be to add several smaller business--maybe with 25-30 employees, not 300 at a time. The latter would be harder to integrate and would put a burden on the school system. Animal processing facilities in several cities were given as examples.

Elsbury mentioned that Chance once experimented with synthetic rubber and plastic applications. That category was excluded by CREDI, but the code may relate to fabrication, rather than materials manufacturing. Perhaps we should insure that the list does not block future product lines from Hubble use under EEZ incentives. Elsbury thought Hubbell should review the CREDI list and comment. Shackelford thought this was good idea. Angell moved to take CREDI list to Hubbell. Lensmeyer seconded. All members present voted aye. Elsbury volunteered to make the contact.

Behrns was asked about deadlines. He said the qualification had originally been tied to a national emergency declaration, but we later found that two census blocks were qualified on the basis of poverty rates and income levels. He has some concern if data changes with new 2010 census information to be released at the end of the year, but our status would not likely be changed. Approval of applications to DED will take up to three months. The sooner the application can be made the more opportunities the City will have.

Lensmeyer noted that calculating abatements are complicated. Extra standards or criteria increase difficulty and add administrative burden for County officials.

Eventually, the board decided that Elsbury would talk to Hubbell. Angell and Meyers will contact other cities about EEZ and animal processing effects. Behrns will ask DED about use of clawbacks and inverse abatements. Lensmeyer will report back on any findings from Boone County and City of Columbia attorneys. All directors will continue to review the NAICS list for the best fit.

The time for next meeting was set for 5:30 for Tuesday, July 10.

Myers moved and Lensmeyer seconded that the meeting adjourn. All directors voted aye.

Meeting adjourned at about 6:35 p.m.