

**FINANCE AND ADMINISTRATION
MINUTES**

Monday, January 28, 2008

Minutes of a regular meeting of the Finance and Administration Committee of the City of O'Fallon, held in the Mayor's Conference Room, City Hall, 255 S. Lincoln, O'Fallon, Illinois on January 28, 2008. CALL TO ORDER: Time: 5:30 p.m.

ROLL CALL:	MEMBERS:			
	Grogan -	<u> X </u>	True -	<u> X </u>
	West -	<u> X </u>	Drolet J.-	<u> X </u>
	Medford -	<u> - </u>	Excused	

STAFF LIASON:	<u>Dean Rich</u>	<u>Walter Denton</u>
	<u>Alderman Reckamp</u>	<u>Pam Funk</u>
	<u>Alderman N.Drolet</u>	<u>Alderman Schmidt</u>

Approval of the minutes from November 26, 2007

Item A: SWIDA- Bond Volume Cap: The Southwestern Illinois Development Authority (SWIDA) requests the City transfer unused Illinois Private Activity Bond Allocation. This is an industrial bond authority granted to Home Rule municipalities for a very limited area of Industrial Economic Authority. If the city does not use or transfer the bond authority by May1, it reverts back to the state. As the City does not have a qualifying use for the authority in 2007, staff recommends it be transferred to SWIDA for use in our area. This is the second transfer we have processed and should the City have a use for this authority in the future we would be in a better position to request help from SWIDA. Motion to pass an ordinance approving the transfer of Volume Cap in connection with Private Activity Bond Issues to SWIDA by Alderman True, second by Alderman West. All ayes.

Item B: Tax Levy Ordinance Limit: As a Home Rule City, O'Fallon can determine the amount of property tax it collects by dollar amount rather than by a percentage of the tax levy. With the housing market in decline and unanswered questions on how the county establishes the multiplier, staff established the 2007 Tax Levy by not recognizing the 2006 multiplier and only adding new property. The 2007 Tax Levy resulted in a reduction in the City of O'Fallon's tax levy of \$342,866. The ordinance will be revised, coordinated and presented at the next committee meeting for a March vote.

Item C: Economic Development Special Business District: Since the City of O'Fallon last approved a retail (non-automotive) economic development incentive there have been 10 major retail centers developed in the Metro-East and all received some form of economic development incentive (TIF, Special Business District, Sales Tax rebate, property tax rebate, bonds, loans or some combination thereof). We have relied on the

build it and they will come theory and have twice in the last 2 years had a major competitor to SAM's make a commitment to come to O'Fallon only to postpone their decision in favor of a large incentive in St. Louis County. While our residents may not accept a sales tax rebate, we can offer a 1% special business tax which does not affect the money the City receives or would receive. The other major retail centers in our area, (Shiloh, Belleville East, Belleville West, and Fairview Heights) have all passed special business tax incentives and charge a 8.6% sales tax versus O'Fallon's 7.6%. Central Park has a large piece of retail property extending from behind the Bank of Edwardsville up to American TV that is prime for development but has been repeatedly passed over for other sites in the area with incentives. Staff recommends we draft a special business district for this area and present it for approval at the next meeting. In addition, the large piece of property just north of the Hilton Garden Hotel was passed over in favor of a similar piece in Shiloh because the O'Fallon property is under mines. Staff is reviewing options to provide incentives for this area and plan to have a recommendation for the next committee meeting. Motion to have staff develop a Special Business District plan for consideration by Alderman Drolet, second by Alderman True. All Ayes.

Item D: Raffle Ordinance: The Raffle Ordinance was a topic of discussion at a recent council meeting and was referred to the committee for review. A review revealed that our ordinance is in compliance with state law and staff did not uncover needed changes. Committee agreed but questioned the need for Council approval of raffle licenses. Staff will review this requirement and report back.

ADJOURNMENT: 6:10 p.m. **PREPARED BY:** Dean Rich