

**FINANCE AND ADMINISTRATION
MEETING MINUTES**

Monday, September 28, 2009

Minutes of a 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 August 24, 2009. CALL TO ORDER: Time: 5:30 p.m.

ROLL CALL:	MEMBERS:		Drolet J.	<u>X</u>
	Chairman Bennett	<u>X</u>	True	<u>X</u>
	Albrecht	<u>X</u>	McCoskey	<u>X</u>
	Grogan	<u>X</u>	Alderman Medford	<u>X</u>
STAFF LIASON:	Dean Rich	<u>X</u>	Alderman N.Drolet	<u>X</u>
	Walter Denton	<u>X</u>	Alderman Reckamp	<u>X</u>
	Pam Funk	<u>X</u>		<u> </u>
				<u> </u>

Approval of Minutes: August 24, 2009

Item A: Special Business District:

Director of Finance discussed the adoption of a Special Business District (SBD) for Regency Park. The SBD would be the same area as the proposed Regency Park TIF. The SBD would allow retail (Sales tax, Hotel & Food) merchants to apply an additional 1% tax. Regency Park started as the Shoppes at Greenmount and included three Special Service Areas. The SSA’s issued bonds to construct infrastructure in the area- roads, water, sewer, drainage, and added a SSA property tax to cover the bond cost. This is a fixed amount of “extra” property tax applied to all property in Regency Park. When the SSA’s were being implemented it was anticipated the majority of the businesses would be retail and would sell within 24 months. That did not happen, the recession set in and the land has not moved beyond the development stage and the SSA tax must still be paid. Over the life of the SSA bonds, this will add \$6.2 Million dollars to the cost of property in Regency Park. This is a workable amount if Regency develops into a Corporate Campus as planned but it is placing an undue burden on businesses that support the Corporate Campus such as the Hotel and Restaurants. This extra property tax along with undermining causes the long term cost of land in Regency Park to be non-competitive with surrounding property. The 1% extra Sales/Hotel/Food tax will not alleviate \$6.2 million of SSA extra property tax but it will help and it does not cost the city or other government units. Discussion included: Who got the SSA money- the contractors who completed the infrastructure. How much is the SBD cost for each lot- that can not be broken out until the lot develops. Will this pay for the extra SSA cost- No, but it makes the retail property more attractive without costing local government. The actual documents were not ready for a vote and move to Council, but Chairman Bennett asked for an unofficial up or down vote and the votes were all ayes.

ADJOURNMENT: 6:05 p.m. **PREPARED BY:** Dean Rich