



August 18, 2008

EXPANDED TAX ABATEMENT BENEFITS IN THE SPRINGFIELD ENHANCED ENTERPRISE ZONE FOR SUSTAINABLE DEVELOPMENT

The Springfield Enhanced Enterprise Zone Board of Directors is pleased to announce that an additional 25% of property tax abatement will now be granted to qualifying businesses in the Springfield Enhanced Enterprise Zone that obtain certification at the Silver level or higher under the Leadership in Energy and Environmental Design (LEED) program. The governing entities within the Springfield Enhanced Enterprise Zone, which include Greene County and the Cities of Springfield and Battlefield, have recently adopted ordinances increasing the level of tax abatement from 50% to 75% over ten years for qualifying businesses that obtain this level of LEED certification.

The Springfield Enhanced Enterprise Zone was established by the State of Missouri in 2005 to provide incentives for qualified businesses to locate or expand in the zone. The zone boundaries were established in conjunction with the Missouri Department of Economic Development and are based on areas of low income and high unemployment (*see Attachment A – Map of Springfield Enhanced Enterprise Zone*). This program is a successor to the City's Enterprise Zone, which was originally established in 1984.

Qualifying Businesses

While retail, eating and drinking establishments and gaming operations are not eligible, the type of businesses that can qualify for benefits include:

- manufacturing
- mining
- warehouse and distribution
- wholesale trade
- processing material recovery for wholesale trade
- Any other business enterprise that creates and maintains 50 or more full time jobs

Qualifying businesses are eligible to receive state tax credits for investment and job creation, and local property tax abatement on improvements to real property. The level of abatement that has been authorized within the Springfield Enhanced Enterprise Zone is 50% on improvements for 10 years. To encourage sustainable development, qualifying businesses may also receive an additional 25% of property tax abatement if they obtain certification at the Silver level or higher under the LEED program.

DEPARTMENT OF PLANNING AND DEVELOPMENT

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phone: (417) 864-1031 fax: (417) 864-1030
Homepage: <http://www.springfieldmogov.org> email: city@ci.springfield.mo.us

If you have any questions concerning the Springfield Enhanced Enterprise Zone, please contact Matt D. Schaefer with the City of Springfield Planning and Development Department at 417-864-1100 or by email at mschaefer@springfieldmo.gov.

ATTACHMENTS:

Attachment A – Map of the Springfield Enhanced Enterprise Zone

Attachment B – Special Ordinance #25436 (City of Springfield)

Attachment C – Ordinance #08-15 (City of Battlefield)

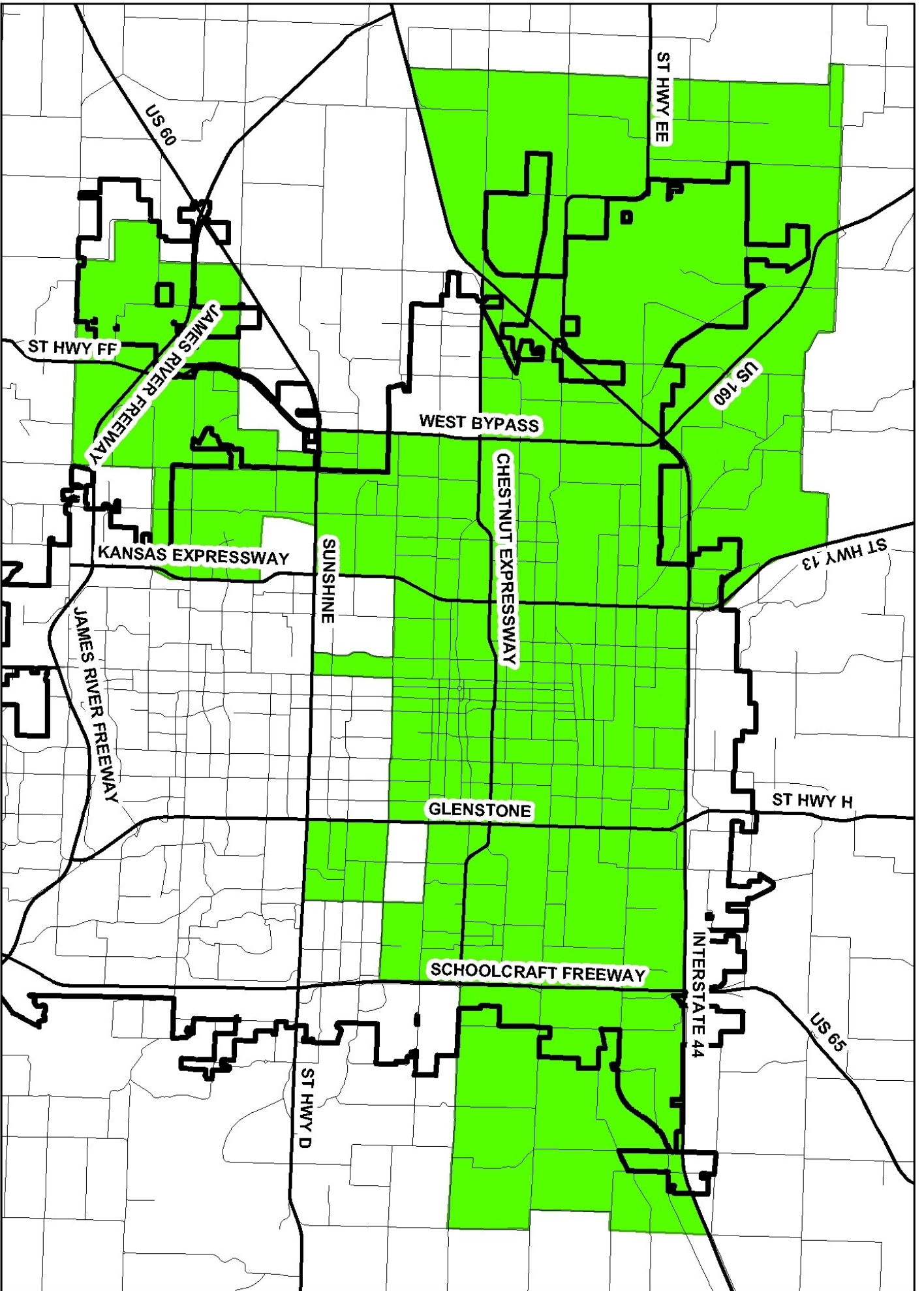
Attachment D – ACR-014026 (Greene County)



0 2,500 5,000 10,000 15,000 20,000 Feet

Springfield Enhanced Enterprise Zone

City of Springfield, Missouri



Attachment B

Pub. Imp. _____
Govt. Grnt. _____
Emer. _____
P. Hrngs. _____
Pgs. 5
Filed: 06-24-08

Sponsored By: Manley, Rushefsky, Whayne, & Wylie

First Reading: June 30, 2008 Second Reading: July 14, 2008

COUNCIL BILL NO. 2008 - 193 SPECIAL ORDINANCE NO. 25436

AN ORDINANCE

1 AMENDING Special Ordinance No. 24774 concerning the level of incentives to be offered
2 under the Enhanced Enterprise Zone Ordinance Program qualifying businesses
3 that become certified at the Silver level or higher under the Leadership in Energy
4 and Environmental Design (LEED™) program. (Springfield Enhanced Enterprise
5 Zone Board of Directors and staff recommend approval.)
6

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8 WHEREAS, the City of Springfield has participated in the State Enterprise Zone
9 Program since 1984; and

10
11 WHEREAS, land within the City of Battlefield and Greene County are included within the
12 Enhanced Enterprise Zone; and

13
14 WHEREAS, on May 2, 2005, the City Council approved Special Ordinance No. 24774
15 concerning the level of incentives available to qualifying businesses under the Enhanced
16 Enterprise Zone Ordinance Program; and

17
18 WHEREAS, on April 10, 2008, the Board of Directors of the Springfield Enhanced
19 Enterprise Zone passed a resolution requesting Greene County and the Cities of Battlefield and
20 Springfield to amend their existing ordinances to allow for an expansion of property tax
21 abatement benefits to include an additional twenty-five percent (25%) for qualifying businesses
22 that obtain certification at the Silver level or higher under the Leadership in Energy and
23 Environmental Design (LEED™) program; and

24
25 WHEREAS, the City Council finds that the request merits approval.

26
27 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
28 SPRINGFIELD, MISSOURI, as follows, that:

29
30 Section 1 –Special Ordinance No. 24774 is hereby amended to repeal the existing
31 Section 2 and replace it with a new Section 2, which Section 2 shall read as follows:
32

3 "That the City Council of the City of Springfield, Missouri, hereby authorizes a property
34 tax abatement on improvements to real property made by qualified businesses at the level of
35 abatement of 50% on improvements for 10 years. In addition, the City Council hereby authorizes
36 an additional property tax abatement of twenty-five percent (25%) for qualifying businesses that
37 obtain certification at the Silver level or higher under the Leadership in Energy and
38 Environmental Design (LEED™) program for 10 years, for a total of seventy-five percent (75%)
39 property tax abatement for 10 years.

40
41 Note: Language to be added in underscored.

42
43 Section 2 - This Ordinance shall take effect and be in full force and effect from and after
44 its passage.

45
46
47 Passed at meeting: July 14, 2008

48
49
50 Thomas Carlson
51 Mayor

52
53 Attest: Cathy Gatter, Assistant
54 City Clerk

55
56 Filed as Ordinance: July 14, 2008

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58
59 Approved as to form: Marianne Henderson, Assistant City Attorney

60
61
62 Approved for Council action: Lucy Horn, Interim City Manager

63
64
65
66 N:\SHARE\CBILLS - 2008\06-30-08\EEZ Enterprise Zone_ord.doc

Affected Agency Notified: Yes
Emergency Required: No
Budget Adjust. Required: No
Board Rec. Required: Yes
Public Hearing: No
Sponsor: Manley, Rushefsky, Whayne, & Wylie
Date: May 29, 2008

EXPLANATION TO COUNCIL BILL NO. 2008

ORIGINATING DEPARTMENT: Planning and Development

PURPOSE: To adopt an ordinance increasing the level of real property tax abatement for qualifying businesses participating in the Enhanced Enterprise Zone Program that become certified at the Silver level or higher under the Leadership in Energy and Environmental Design (LEED) program.

BACKGROUND INFORMATION:

The Springfield Enhanced Enterprise Zone was established by the State of Missouri in 2005 to provide an incentive for qualified businesses to locate or expand in the zone. The zone boundaries were established in conjunction with the Missouri Department of Economic Development and are based on areas of low income and high unemployment (*see Exhibit A – Map of Springfield Enhanced Enterprise Zone*). This program is a successor to the City's Enterprise Zone, which was originally established in 1984.

The following types of businesses qualify for Enhanced Enterprise Zone benefits: manufacturing, mining, warehouse and distribution, wholesale trade, processing material recovery for wholesale trade, and any other business enterprise that creates and maintains 50 or more full-time jobs (excluding retail, eating and drinking, and gaming establishments). Under the Enhanced Enterprise Zone Program, qualifying businesses are eligible to receive state tax credits for investment and job creation, and local property tax abatement on improvements to real property. The level of abatement currently authorized within the Springfield Enhanced Enterprise Zone is 50% on improvements for 10 years.

On April 10, 2008, the Springfield Enhanced Enterprise Zone Board of Directors passed a resolution requesting Greene County and the cities of Springfield and Battlefield to amend their existing ordinances to allow for an expansion of property tax abatement benefits to include an additional 25% for qualifying businesses that obtain certification at the silver level or higher under the Leadership in Energy and Environmental Design (LEED) program.

STAFF COMMENTS:

Portions of the cities of Springfield and Battlefield, as well as unincorporated portions of Greene County are located within the Springfield Enhanced Enterprise Zone. All three jurisdictions must approve the proposal in order for the expanded property tax abatement benefits to become effective.

If adopted, the expanded property tax abatement benefits will be the first of its kind in the State of Missouri and in the region. This may provide the Springfield area a competitive edge in attracting and retaining businesses, especially those that wish to construct energy efficient facilities. This increased abatement is consistent with the increased abatement offered for the BKD Building if it achieves LEED Silver status.

Several studies indicate that the capital costs for "green" buildings are marginally higher than conventional buildings. However, they are typically offset by reduced operating costs, primarily attributed to lower water and energy consumption. In many cases, these savings can significantly exceed the margin of costs associated with "green" construction.

The U.S. Green Building Council will provide independent verification that qualifying projects obtain the silver level of certification under the Leadership in Energy and Environmental Design (LEED) program.

RECOMMENDATION:

The Springfield Enhanced Enterprise Zone Board of Directors recommends approval. Staff recommends approval.

Submitted by:



Planning and Development

Approved by:



Interim City Manager

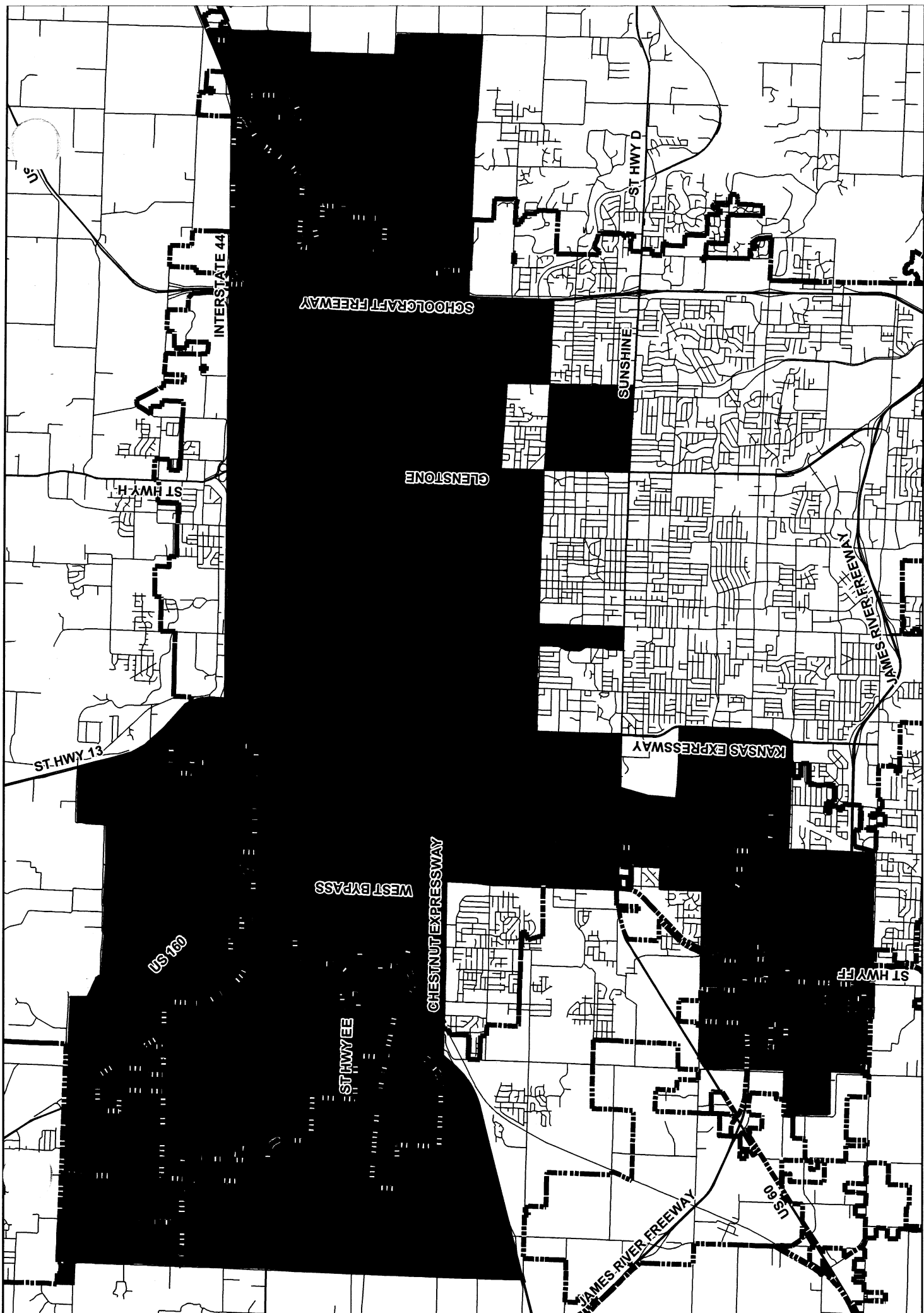


Exhibit A - Springfield Enhanced Enterprise Zone



Attachment C

BILL NO. 08-15

ORDINANCE NO. 08-15

AN ORDINANCE AUTHORIZING THE ESTABLISHMENT
AND LEVEL OF INCENTIVES TO BE OFFERED TO
QUALIFIED BUSINESSES UNDER THE ENHANCED
ENTERPRISE ZONE ORDINANCE PROGRAM

WHEREAS, the City of Springfield has participated in the State Enterprise Zone Program since 1984; and

WHEREAS, an Enhanced Enterprise Zone has heretofore been established which Zone includes realty located within the cities of Springfield and Battlefield and the County of Greene; and

WHEREAS, legislation enacted by the Missouri General Assembly requires that any municipality having realty located within an Enhanced Enterprise Zone adopt an ordinance establishing the level of incentives to be offered through the Zone and the business clusters which will be eligible for Zone benefits.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF BATTLEFIELD, MISSOURI, AS FOLLOWS:

Section 1. The City of Battlefield, in support of the Enhanced Enterprise Zone Program, hereby authorizes the establishment of incentives designed to promote investment and create jobs in areas with lower income and higher levels of unemployment than the State average to qualified businesses eligible for zone benefits.

Section 2. The City of Battlefield hereby authorizes a property tax abatement on improvements to real property made by qualified businesses at the level of abatement of 50% on improvements for 10 years. In addition, the Board of Aldermen hereby authorizes an additional property tax abatement of 25% for qualified businesses that

obtain certification at the Silver or higher level under the Leadership in Energy and Environmental Design (LEED) program for 10 years, for a total of 75% property tax abatement for 10 years.

Section 3. The following types of businesses within the following business clusters shall be eligible for Enhanced Enterprise Zone incentives provided they are located within the Zone and make improvements to their property:

1. Manufacturing
2. Mining
3. Warehousing and Distribution
4. Wholesale Trade
5. Processing Material Recovery For Wholesale Trade
6. Any other Business Enterprise that creates and maintains 50 or more full time jobs, defined as 35 hours per week or more, excluding retail, eating and drinking establishments and gaming operations

Section 4. This ordinance shall be in full force and effect from and after its date of passage.

Passed and approved at a regular meeting of the Board of Aldermen of the City of Battlefield, Missouri, this 15TH day of July, 2008.



Judy Stainback, Mayor

Attest:



Susan Diehl, Clerk

First Reading and Vote: all ayes

Second Reading, Final Passage and Vote: all ayes

Attachment D

08-ACR

ORDER
OF THE
GREENE COUNTY COMMISSION
SPRINGFIELD, MO

DATE ISSUED: August 12, 2008

SUBJECT: Enhanced Enterprise Zone

WHEREAS, the City of Springfield has participated in the State Enterprise Zone Program since 1984; and

WHEREAS, land within the City of Battlefield and Greene County are included within the Enhanced Enterprise Zone; and

WHEREAS, on July 11, 2005, the Greene County Commission approved ACR-014026 concerning the level of incentives available to qualifying businesses under the Enhanced Enterprise Zone Ordinance Program; and

WHEREAS, on April 10, 2008, the Board of Directors of the Springfield Enhanced Enterprise Zone passed a resolution requesting Greene County and the Cities of Battlefield and Springfield to amend their existing ordinances to allow for an expansion of property tax abatement benefits to include an additional twenty-five percent (25%) for qualifying businesses that obtain certification at the Silver level or higher under the Leadership in Energy and Environmental Design (LEED™) program; and

WHEREAS, the Greene County Commission finds that the request merits approval.

NOW, THEREFORE, BE IT ORDERED BY THE GREENE COUNTY COMMISSION as follows:

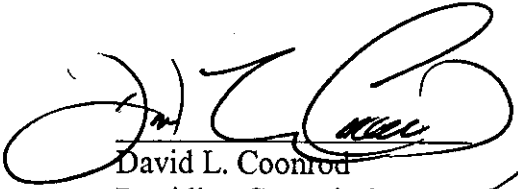
Section 1 – ACR-014026 is hereby amended to repeal the existing Section 2 and replace it with a new Section 2, which Section 2 shall read as follows:

“That the Greene County Commission hereby authorizes a property tax abatement on improvements to real property made by qualified businesses at the level of abatement of 50% on improvements for ten years. In addition, the Greene County Commission hereby authorizes an additional property tax abatement of twenty-five percent (25%) for qualifying businesses that obtain certification at the Silver level or higher under the Leadership in Energy and Environmental Design (LEED™) program for 10 years, for a total of seventy-five percent (75%) property tax abatement for ten years.

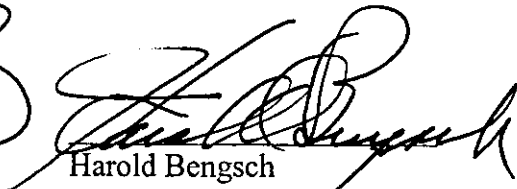
Note: Language to be added is underscored.

Section 2 – This Order shall take effect and be in full force and effect from and after its passage.

THE GREENE COUNTY COMMISSION



David L. Coonrod
Presiding Commissioner



Harold Bengsch
Commissioner District 1

(out of the office)

Roseann Bentley
Commissioner District 2