



Illinois Jobs Recovery Law

LOCAL GOVERNMENT COLLABORATION LEADS TO QUICK SUCCESS

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The local governments within Winnebago County suffer from one of the worst unemployment rates in the nation. A once vibrant manufacturing region with a skilled work force, this region has experienced a long and painful descent in economic vitality. The protracted nature of the region's economic decline has impacted local governments' tax revenues (lower sales & property taxes) and impeded their ability to invest in economic redevelopment. In fact, the ongoing decline in revenue now threatens this region's ability to provide core government services. Local community leaders have been working hard to reverse the effects of this deteriorating job climate, but as non-home rule communities they do not have a lot of resources available to them in this fight.

Bordering the much more business friendly Wisconsin, the local governments in this region need to be able to offer incentives to companies to remain or locate in their communities. This reality has led leaders in this region to band together and work with industrial land owners to find ways to attract interest from employers. One important tool they have been able to successfully use in this fight is the Illinois Jobs Recovery Law (IJRL). Using the IJRL, the region has created two Redevelopment Planning Areas (RPLA) which have resulted in the attraction of 9 companies who have collectively invested \$59 million dollars to create or retain nearly a thousand jobs in the region.

IJRL was created in 1994 to assist in industrial job growth and retention. Unlike typical TIFs which qualify an area for redevelopment based on "blight," IJRL districts are qualified based on the level of unemployment or vacant industrial facilities they contain. When the IJRL was created in 1994, the legislature had no way of knowing that its sunset date of March 14, 2010 would bring this important job tool to an end in one of the worst economies in American history. It was also a time in this region's history when a concerted effort by local political leaders—cities, the county and the RAEDC (a regional economic development agency)—was under way to find economic opportunities and fight the ravages of an unemployment rate that exceeded 20%.

In the early spring of 2010, the region was working on a particular opportunity that would bring 500 new manufacturing jobs to an industrially zoned piece of property located in the city of Loves Park. This same piece of property had been previously considered for a new employer that ultimately located in Beloit, Wisconsin, which is just 15 miles up I-90 and where it was given free land and other incentives provided by the state of Wisconsin. To remain competitive for this new opportunity, the IJRL was the only tool available and to use it, it had to be extended beyond its March 14, 2010 sunset date. Getting the IJRL extended, however, was not just about closing this one opportunity. Rather, it was about continuing to provide non-home rule local governments in Illinois—and in border communities in particular—an economic development tool that would allow them to compete with Wisconsin and other states

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for jobs. "When entering into discussions with prospective tenants or users of the property, we have been informed that neighboring communities in Michigan and Wisconsin are able to offer free land to prospects, and many also offer real estate tax abatement," said Mark Goode of LP Partners, an entity controlled by Venture One, and owner of the potential site. "Our inability to offer these types of financial incentives has made it extremely difficult for us to attract users, as evidenced by the lack of development on the property since the fall of 2002," Mr. Goode added.

With this reality clearly understood, the leaders in this region turned to the Illinois Municipal League (IML) in February 2010 for help in getting the IJRL extended. It was too late in the spring legislative session to be confident that the bill extending the IJRL could actually be passed. "From the calls we received from our member communities in the region, we understood the importance of getting this done but we had to be realistic," said Matt Davidson who is the Legislative Director for the IML. Working with the region's state Senator (Dave Syverson) and Representatives (Chuck Jefferson and Dave Winters), Senate Bill 3169 proposing the extension of the IJRL until January 1, 2012, was created.

This turned out to be the easy part. What laid ahead for those who wanted the bill passed was a fast-paced, collaborative effort by the local governments in the region, the IML and the Illinois Tax Increment Association (ITIA). As Loves Park city attorney and a long-standing past member of the ITIA's Legislative Committee as well as a current board member for the ITIA, I coordinated local efforts. "When I received the call from Paul asking for our help so late in the legislative session, I had my doubts that we could pull this off," said Thomas Henderson, Executive Director of the ITIA. The team split up - Matt and Tom acted as the "boots on the ground" in Springfield closely collaborating with Senator Syverson and Representatives Jefferson and Winters while I was up north coordinating letters of support and calls from County Board Chairmen Scott Christiansen, School District 205 and the local government leaders - Loves Park, Rockford, Machesney Park, Rockton, Roscoe and Cherry Valley.

When the bill got traction, TIF opponents began to take notice and worked hard to slow down its momentum. This didn't stop the team dedicated to getting the Bill passed. An e-mail and phone campaign went out to local government leaders around the state - and particularly to those mayors whose communities were within legislative districts of senators and representatives who were working to slow down the bill's passage. The message? "Senate Bill 3169 is an important job creation tool for the state and important to all local governments." Matt and Tom knew that this same message needed to be carried directly to Senate and House committee leaders by local representatives. So, they put out a call and Rockford City Attorney Patrick Hayes and I spent the day in Springfield. The deep and respected relationships that IML and ITIA have in Springfield was evident as Matt and Tom escorted us to the offices of key committee members in both the House and Senate. Yes, a critical visit with Speaker Madigan's staff was also arranged.

Ultimately, Senate Bill 3169 passed unanimously and Governor Quinn signed the bill into law at the Chicago Rockford Regional Airport on July 23, 2010. At the signing ceremony, the governor acknowledged the importance of the IJRL in Illinois's fight to retain and grow jobs. "The Industrial Jobs Recovery Law helps us attract new business investments to areas of high unemployment and to properties in need of

environmental clean-up," said Governor Quinn. "By extending this important program, we are continuing our efforts to bring new, good-paying jobs to Northern Illinois."

While the region was unable to land the opportunity being pursued, this one opportunity is not, and never really was the point of the efforts. In fact, in addition to the establishment of an IJRL for this property, a second IJRL was formed in the region which has led to the retention of a long-standing manufacturing company. Further, the region is in the process of creating another IJRL for a nearly 1,000 acre area. We all knew that what we were attempting to accomplish was not just getting one company to locate in our region, but rather the far more powerful impact IJRL's could have as a resource for the region to remain competitive. This was a successful and much appreciated effort by the IML, the ITIA and everyone who helped preserve this tool for local governments and for the state.

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