



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: August 11, 2025

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Agenda Item: Proposed Enterprise Zone Boundary Expansion Discussion

Explanation: The current Northern Tazewell County Enterprise Zone (EZ) boundaries were certified on December 17, 2015, by the Illinois Department of Commerce and Economic Opportunity (DCEO). The City of East Peoria, Village of Germantown Hills, City of Washington, Tazewell County, and Woodford County previously submitted an application to DCEO to request the designation of a new EZ. The EZ is a wonderful tool that aids projects to facilitate job creation and private investment. The EZ is in effect for 15 years, expiring on December 31, 2030. All EZ's will have the option of applying for a 10-year extension of their respective EZ prior to the 2030 deadline. Although DCEO has not announced details on that application process yet, it is anticipated to begin in 2028. While not a participant, Woodford County remains a signatory because of a connecting strip on Illinois Route 116 to connect the northern boundary of Tazewell County to the Germantown Hills portion of the EZ. Prior to the submittal of the EZ application to DCEO, each of the entities approved ordinances, resolutions, and an intergovernmental agreement (IGA) that, among various parameters, established a maximum square mileage that each participant is allocated for the potential for future expansions.

The City of Washington, following the consent from each of the other participants, successfully applied to DCEO in 2023 to expand the EZ to include two parcels owned by Miller Custom Welding (MCW) at the intersection of N. Wilmor Road and W. Jefferson Street. MCW opened its business at 160 N. Wilmor Road in 2018 following the approval of a rezoning and special use to allow for its operation at that location. A subsequent rezoning and special use were approved in February 2023 to allow for the business to expand onto the adjacent undeveloped parcel to the west. Neither of these parcels, which total approximately 2.37 acres (0.0037 square miles), were in the EZ prior to the 2023 expansion, as both were zoned R-1 (Single- and Two-Family Residential) at the time of the 2015 approval of the new EZ by the State of Illinois and did not allow for a non-residential use.

DCEO oversees the Illinois EZ program. The staffs of the Northern Tazewell County EZ participants recently received interest from both the Villages of Creve Coeur and Metamora to expand the EZ to include some land within its respective corporate boundaries. State law currently allows for EZ's with at least four participants to have up to 20 square miles designated. (Please note that the law in 2014 when the original EZ application was initiated only allowed for up to 15 square miles. DCEO later increased that to 20 square miles.) There is currently 9.8837 square miles allotted and the IGA specifies the current and maximum allowable square mileage in each jurisdiction as follows:

- East Peoria: 5.99 square miles out of an available total of 7.75
- Washington: 2.5837 square miles out of an available total of 4.75
- Tazewell County: 1.14 square miles out of an available total of 1.5
- Germantown Hills: 0.17 square miles out of an available total of 1
- **TOTAL:** 9.8837 square miles out of an available total of 20

Fiscal Impact: Properties within the EZ that undertake qualifying projects that require a building permit are eligible for the following incentives:

- A 5-year property tax abatement that takes effect upon the first full year of assessment following the completion and closeout of a project;

- A sales tax waiver on building materials that are permanently incorporated into the real estate;
- A 50% reduction in the cost of the utility connection fee (to no lower than the residential utility connection fee rate); and
- A 50% reduction in the cost of the building permit fee.

Action Requested: The EZ has sufficient space to allow for an expansion to include Creve Coeur and/or Metamora. The county and municipal staffs have proposed the following recommendation to allow for both Creve Coeur and Metamora to join the EZ:

- Two square miles will be offered to the municipalities and they can determine how that will be split between each other. If that is fully utilized, 11.8837 of a possible 20 square miles would be allotted;
- Creve Coeur and Metamora will be responsible to prepare the application to be submitted to DCEO. This application process will require the preparation of all supporting documents, including ordinances for each community. The consultant(s) utilized for this process is up to the two new municipalities;
- The application and associated documents will allow for single-family residential development to be supported within the zone where any municipalities choose to allow it (Washington, like most municipalities, currently only allows for the EZ to apply to non-residential projects);
- By a certain date during the development of the application, current EZ members will be able to submit their boundary changes (expansions or deletions) to be included in the application submitted to DCEO. The new proposed EZ boundary and associated legal description is to be prepared by the two joining municipalities; and
- An updated IGA and associated ordinances will be prepared and provided to each member participant to be approved by their respective Boards/Councils. The IGA will include a provision that all counties and municipalities will participate equally in the 10-year extension application when that information is released at a later date by DCEO and the timing is appropriate. It will also include the allotted amount of area for each participating county and municipality.

The Germantown Hills Board recommended approval of the EZ expansion to include Creve Coeur and Metamora at its July 24 meeting. Discussion is scheduled at the August 11 Committee of the Whole meeting to gain consensus on a Washington Council expansion recommendation. Each of the other EZ entities will also be discussing this in the near future in order to bring a combined direction on the proposed expansion to both of the inquiring municipalities. Should Creve Coeur and/or Metamora proceed with an expansion application, each of the participants that are part of the EZ will be asked to approve a revised ordinance and amended IGA. Those must be approved prior to the application submittal to DCEO. Its review is typically anticipated to take 90 days.

This can also be an opportunity for any of the participants, including Washington, to determine if other properties should be added to their respective portions of the EZ. One such property would be the remainder of a property west of the Centennial Drive/McClugage Road intersection that was annexed in early 2024 and is zoned C-2 (General Retail). About 1.5 acres of this area has been included in the EZ since its original 1986 designation but it does not include all of that land. This includes a portion, but not all of three outlots at the intersection. All of the outlots would need to be in the EZ in order for the EZ benefits to apply. Construction is planned soon on the first of the three outlots to accommodate a Sherwin Williams store and including that area in the Enterprise Zone would provide a beneficial incentive when non-residential development occurs. With the support of the Council, staff will likely begin on an expansion application specific to this area separate of what Creve Coeur and/or Metamora do, as this would allow for that to be completed sooner to allow for an expedited review by DCEO.