

Tax Abatements and Educational Incentives as an Inducement to Industry

Global, domestic and area competition for retraining and attracting industry have increased the use of state and local inducements as marketing tools. However, all other location factors have to be satisfied for inducements to be effective. There are four basic categories of inducement: taxes, financing, training, and special, e.g. legislation, reduced price of property, utility extensions, etc.

Lake Land College, as a community college, is directly involved in providing training inducements. Industry specific, customized training and retraining services are provided to existing, expanding and new businesses within the College district. Companies look favorably toward locating in areas with strong, comprehensive community colleges. The emphasis is on obtaining a skilled, quality work force with high productivity levels.

Training offered by Lake Land College, coupled with assistance in securing training grants, aids existing, expanding and start-up companies by reducing training costs. Lake Land College works with businesses in securing these funds offered through the State of Illinois, thus providing two of the four inducements: training and financing. To request that Lake Land College offer a third inducement through tax abatement could affect the College's ability to provide a skilled, technological, current work force.

Tax abatement, as an incentive, will be brought to the Board on an individual basis. When considering tax abatement requests, the Board will weigh the number of jobs to be retained or to be added; the company's commitment to capital investment; the market for the

commodity, good, and/or service; and the time length of the abatement. Abatements will be granted for capital investment expended on new developments and/or expansion efforts only. Although tax abatements are normally afforded to business or industry, the Board may elect to approve an abatement which includes residential developments. For the Board to consider such requests, the following guidelines must be met: 1) the affected properties are not in a TIF district; 2) the length of time for the abatement is three (3) years or less; and 3) the total number of residential lots is 30 or less for the city or town.

Companies, firms, or agencies will present tax abatement requests to the Board at a monthly meeting. A one-month period of time will elapse between the time the request is made and the decision of the Board.