

HENRY COUNTY ENHANCED ENTERPRISE ZONE (EEZ)

The Enhanced Enterprise Zone (EEZ) program encourages business development and job creation by granting property tax abatement to business enterprises that locate or expand within designated enhanced enterprise zones. Zone boundaries are established in conjunction with the Missouri Department of Economic Development and are based on areas of low income and high unemployment, the potential to create sustainable jobs in a targeted industry and the impact on local industry cluster development.

Henry County Government administers the Henry County Enhances Enterprise Zone. It is administered by Mr. Rick Watson, Henry County Clerk. Marketing and program questions are addressed by The Greater Clinton Area Chamber of Commerce Economic Development Director.

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DATE ENHANCED ENTERPRISE ZONE DESIGNATED: February 10, 2007

AUTHORIZATION:

[Sections 135.950 through 135.973 RSMo.](#)

County and City Governments:

Henry County, MO: Resolution Dated 11/3/2006 Revised Resolution 07022015 dated 7/2/2015

City of Clinton, MO: Ordinance 3627 dated 1/2/2007 Revised Ordinance 3906 dated 7/21/2015

City of Calhoun, MO: Ordinance 425 dated 1/8/2007 Revised Ordinance 425-A dated 7/9/2015

City of Deepwater, MO: Ordinance 237 dated 12/5/2006 Revised Ordinance 300 dated 8/25/2015

City of Montrose, MO: Ordinance 10.060 dated 1/3/2007 Revised Ordinance 10.060.1 dated 7/13/2015

City of Ulrich, MO: Ordinance dated 12/12/2006 Revised Ordinance 2006 dated 12/12/2006 Revised Ordinance dated 215 7/14/2015

City of Windsor, MO: Ordinance 2007-01 dated 1/9/2007 Revised Ordinance dated 7/9/2015

School Districts:

Calhoun, MO Calhoun R V-III School District Resolution dated 10/16/2006 Revised Resolution No.2 dated 7/16/2015

Clinton, MO Clinton R-124 Resolution dated 9/25/2006 Revised Resolution dated 7/27/2015

Davis R-XII Resolution dated 10/10/2006 Revised Resolution dated 7/14/2015

Henry County R-1 Resolution dated 12/11/2006 Revised Resolution dated 7/13/2015

Lakeland R-3 Resolution dated 9/21/2006 Revised Resolution dated 7/16/2015

Montrose R-XIV School District Resolution dated 10/13/2006 Revised Resolution dated 7/20/2015

Shawnee R-III School District Resolution dated 11/13/2006 Revised Resolution dated 7/13/2015

Sherwood-Cass R-III School District Resolution dated 10/18/2006 Revised Resolution dated 7/15/2015

BUSINESS ELIGIBILITY REQUIREMENTS

A For-Profit Businesses that operates within the following business NAICS codes as established by the North American Industrial Classification System (NAICS) are eligible for EEZ incentives provided they are located within an Enhanced Enterprise Zone and make improvements to their property. The appropriate NAICS code needs to represent a majority of their business.

Improvements are defined as a minimum CAPEX of \$100,000.00 in real property (excluding land) or 8 times annual lease rate for CAPEX determination if facility is leased.

New Job creation for Enhanced Enterprise Zone Benefits is a minimum of 2 FTE.

ELIGIBLE INDUSTRIES BY NORTH AMERICAN CLASSIFICATION SYSTEM (NAICS)

<u>NAICS CODE</u>	<u>TITLES/DESCRIPTIONS OF ELIGIBLE INDUSTRIES</u>
11141	Food Crops Grown Under Cover
22	Utilities
237	Heavy & Civil Engineering Construction
238	Specialty Trade Contractors
31-33	Manufacturing
423	Merchant Wholesalers/Durable Goods
48-49	Transportation & Warehousing
51	Information
5415	Computer Systems Design and related services
541710	Research and Development in Physical, Engineering & Life Sciences
551114	Corporate, Subsidiary, and Regionally Managing Offices
621	Ambulatory Health Care Services

EXCLUDED INDUSTRY SECTORS

Per Section 135.950 (9) RSMo

All gambling establishments (NAICS group 7132), retail trade (NAICS sectors 44 & 45), education services (NAICS sector 61), religious organizations (NAICS group 8131), public administration (NAICS sector 92) and food and drinking places (NAICS subsector 722) are excluded from receiving Enhanced Enterprise Zone benefits.

Headquarters exception Section 135.959 (9) (b) RSMo

Headquarters or administrative offices of otherwise excluded business may qualify for benefits if the offices serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the new jobs and investments of such headquarters operation is considered eligible for benefits under the section if the other requirements are satisfied.

HENRY COUNTY ENHANCED ENTERPRISE ZONE PROGRAM BENEFITS

Qualified business locating in the Henry County Enhanced Enterprise Zone are entitled to receive a local real property tax abatement on **50% of the new investment (excluding land and personal property) for a period of 10 years.** The Enhanced Enterprise Zone Board is authorized to grant additional abatement, up to 100% abatement, of property taxes for improvements made to real property, as pertains to the specific project. Job creation, wage rates, and valuation of personal property will be considered. The duration of the abatement shall be for a minimum of ten (10) years from the date eligible improvements are first assessed. The Enhanced Enterprise Zone Board is authorized to grant an additional fifteen (15) years, for a maximum of twenty-five (25) years. **Job creation, wage rates, and valuation of personal property will be considered.**

Any abatement granted per Enhanced Enterprise Zone ordinance shall cease after a period of ninety (90) days of business closure, work stoppage, major reduction in workforce, or a change in the type of business resulting in a change to a non-compliant NAICS classification. "Work stoppage" shall not include strike, lockout, time necessary to retool a plant, or stoppage resulting from a natural disaster. "Major reduction in workforce" is defined as seventy-five (75%) or greater reduction in the number of persons actually working at that location.

Abatement benefits may be transferred to new owners, provided the facility continues to be utilized for the same type of business per NAICS classification, for which the abatement was originally granted and there is not a major reduction in workforce. Abatement benefit shall not extend beyond the original life of the abatement.

APPROVAL PROCESS FOR ENHANCED ENTERPRISE ZONE ABATEMENT

1. Business meets with Economic Development Director to determine applicability of EEZ benefits for project. Determinants are as follows:
 - a. Real property investment of \$100,000.00 or more (excluding land)
 - b. If leasing, calculate annual lease rate x8 time to get CAPEX requirement of minimum of \$100,000.00. Lease rate should not be full service and not include taxes, insurance, or utilities.
 - c. New Net Job creation at planned facility of a minimum of 2 FTE. FTE is defined at 37 hours/week or more.
 - d. Business Primary NAICS code determined to meet one of eligible EEZ NAICS Code.
2. Applicant completes EEZ Application and is submitted to Economic Development Director. Client may wish for anonymity in early stage of project and that is allowed.
3. Economic Development Director notifies EEZ Administrator of a potential EEZ applicant.
4. Planned address or site is determined by both EEZ Administrator and Economic Development Director that location planned is within Henry County EEZ.
5. If address is within EEZ, the application is submitted to the Henry County EEZ Board for review and approval.
6. If Henry County EEZ Board approves, their approval letter along with EEZ application from business are submitted to the Henry County Commission for their approval.
7. Henry County Commission submits approval letter to Economic Development Director to be shared with client business.
8. Business must apply for Enhanced Enterprise Zone (EEZ) abatement prior to the County Assessor assessing the property improvements and certifying the improvements to the County Collector.
9. Property taxes will not be reduced below the amount of tax on land and improvements paid in the year preceding the certification for EEZ abatements.

HENRY COUNTY ENHANCED ENTERPRISE BOARD MEMBERS

<u>Member Name</u>	<u>Representing</u>	<u>Term</u>
Jim Smith, Chairman		3/1/2025
Rick Watson, Administrator		3/1/2023
Dave Garnett	School Boards	3/1/2021
Rick Fosnow	Other taxing areas	3/1/2021
Roy Meredith		3/1/2015
Ivan Oestrich		3/1/2024
Wilbur Caldwell		3/1/2024

