

August 28, 2009

To the Honorable Members of the Illinois Senate,
96th General Assembly:

Having lived in Madison and St. Clair Counties, and as a Governor who has traveled the entire State, I understand the need for jobs and economic development in southern Illinois. My administration is firmly committed to the needs of the people of downstate Illinois.

Senate Bill 1909 will create jobs and spur economic growth in the Metro-East. This innovative incentive structure, in essence a public-private partnership, will boost the vitality of the region. Through this creative tax financing mechanism, this bill will provide incentives for the construction of a major new retail development strategically located in the Metro-East.

I want to express my sincere gratitude to the sponsors of this bill, particularly Senator James Clayborne and Representative Thomas Holbrook, for their tireless advocacy. I want to thank the business community for their work, as well as the entire membership of the General Assembly for passing this bill.

Outside of the Metro-East, the entire State can realize long-term benefits as a result of this bill; however, given its unique nature and complexity, there is one minor issue that I must address. Under Senate Bill 1909, the State will forgo future sales tax revenue generated by new retail businesses in the STAR bond eligible area. This stream of dollars will be used to finance the development and construction of the businesses. The goal of this legislation is that the revenue associated with the new economic activity would exceed the lost sales tax revenue to the State; however, it is possible that the new revenue will be less than the lost sales tax, and therefore, this legislation would create a significant cost to the State. This arrangement represents a significant financial risk to the State, especially during this economic crisis, when the State has been forced to cut critical services and operations.

With my change, the State will limit its liability, the private sector will benefit from the incentives, and the people of Illinois will see an improved economy. I am confident that this change will bring jobs and development to southern Illinois.

There are other issues related to this bill that remain unresolved, including limiting the environmental impact of this initiative and developing corporate accountability standards for participants. I look forward to working with the legislature to address these outstanding issues during the fall veto session.

Therefore, pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return Senate Bill 1909, entitled "AN ACT concerning economic development", with the following specific recommendation for change:

on page 35, by replacing line 16 with "(5) up to 50% of the State sales tax increment, but not to exceed 50% of the total project costs;".

With this change, Senate Bill 1909 will have my approval. I respectfully request your concurrence.

Sincerely,

PAT QUINN

Governor