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Towns' merger vote seen as a positive for region

By **KERRY SMITH**

The vote in November to merge Cahokia, Alorton and Centreville into one town known as Cahokia Heights is a first step toward potential financial stability, regional and national economic development and public policy professionals say.

Steve Zuber, chairman of the Leadership Council Southwestern Illinois' economic development committee, says

access to some of the country's best logistical infrastructure abound in these small American Bottoms communities, yet they're not attracting development at an appropriate rate due to declining tax bases and correspondingly high property taxes.

"It's a recurring dilemma," said Zuber, a principal of BARBERMURPHY and a longtime commercial/industrial real estate broker. "A lot of these underserved communities, from Dupo to Alton along

the Mississippi River, are located along our region's prime heavy industrial corridor. Due to their proximity and their heavy industrial zoning, these towns hold really great future potential for development of heavy industry. But right now and for some time now, their property taxes and other financial constraints prove a major hurdle to development."

St. Clair assessment office data support the premise that high property tax rates belonging to Illinois' Mississippi River towns are a burden for homeowners and businesses – and are keeping these communities from being in site selectors' sights. Cahokia's total property tax (all taxing bodies combined) is 22.89 percent. Centreville's property tax rate is 15.84 percent.

These rates contrast those in the nearby "bluff" municipalities of O'Fallon (8.5 percent) and Collinsville (7.41 percent).

Operating expenses of a community are only a fraction of the total tax bill. Layered onto the property tax bills of those living and working in Cahokia, Centreville and Alorton are Centreville Township's assessment and also the respective school districts' property tax portion. The village of Cahokia is in Cahokia Community Unit School District 187. Centreville and Alorton belong to East St. Louis CUSD 189. Total tax bills in many American Bottoms communities are two to three times higher than those in the bluffs.

"By consolidating these three municipalities and removing some of the redundancy, we would hope that they'll be able to bring their finances under control and begin to alleviate some of these high property taxes," said Zuber. "While we are getting real estate deals done in the American Bottoms region, we're missing out on a lot more than we're getting. As expenses rise for communities and tax bases decline, it deters new businesses from coming in. The barriers to entry are real. Voter approval of the Cahokia Heights merger is the first step of many in a lengthy but hopeful process to turn all of this around for good."

The next step in the process calls for all city leadership (for Cahokia Heights - the new mayor, city council members, city treasurer, clerk, etc.) to be decided by voters in the April 6, 2021, election.

Candidates for all these offices (for the new city) are now gathering the necessary petitions to be on the ballot.

All other legal requirements (such

as the transfer of debt from the three separate municipalities and other documentation specific to the disbanding of the three cities and the formation of the new city) must also be done by April 6.

Cahokia Mayor Curtis McCall Jr. is a proponent of the merger.

"It has been a great honor for me to be mayor, but I strongly feel it is in the best interests of my citizens that we merge with Centreville and Alorton for the long-term future of our communities. I know this means that I and the other mayors must step down, but this is the right decision for the long-term futures of our communities and future generations of our children. We are a better community united together."

Alan Greenblatt is a journalist who has researched and written about municipal mergers, small and large, for the balance of his career. Currently a staff writer at Governing Magazine, Greenblatt's expertise includes the 2000 merger of Louisville, Ky. with surrounding Jefferson County, the 1970 governmental consolidation of Indianapolis with Marian County and similar city-county consolidations in Jacksonville, Fla. (1968) and Nashville, Tenn. (1962).

"Each merger is its own creature," Greenblatt said. "Often merger talks occur in areas that are declining, but government consolidation discussion also occurs in areas that are looking to grow the reputation and widespread identity of their metro area and move up on site selectors' short lists. No matter the impetus and no matter which taxing entities are involved, mergers are always a tough sell."

Those in opposition to a municipal merger, he said, fear a loss of community

identity, the elimination of elected officials' and staff positions, potential dilution of their political representation across the newer and larger territory and inheriting a struggling town's financial and political baggage. Those favoring government consolidation often cite efficiency through centralization of leadership, reduction in property taxes, more potential to attract state and federal financial assistance, wherewithal to improve infrastructure and the ability attract and retain business and industry and grow jobs.

Ronda Sauget, executive director and CEO of Leadership Council Southwestern Illinois and a Cahokia native, wants to see the tri-town merger succeed.

"Our region has so many strengths such as a top-quality workforce, strong transportation infrastructure, excellent higher education resources, heavy investment in utilities and more," Sauget said. "But when we're meeting with developer prospects across the U.S., our weaknesses – state debt, political structure and increasing property taxes – often kill deals and keep us from being considered. Even if we're able to attract them to our region and when they do invest, once the economic development incentives run out, they often find their operating expenses in comparison to similar development areas around the nation are much higher, resulting in many of them deciding to leave the community. Our region is amazingly positioned in so many respects, but we're only as strongest as our weakest link."

Older municipalities in the American Bottoms area are "wonderful industrial site locations" with significant connectivity to multi-modal trans-

portation assets, utility infrastructure, affordable land tracts and a strong, skilled trades workforce, she said.

"However, many of these areas are trying to maintain a structure that they had when their populations and budgets were much larger and are understandably struggling. These are difficult conversations to have. But if cities, villages and towns don't have these types of discussions and don't adapt to a more competitive positioning strategy, they're headed down a tough path in maintaining and attracting economic development investments," Sauget said. "We appreciate any of our Southwestern Illinois communities' efforts to gain financial stability and performance efficiencies, and hope to see the hard work of this merger pay off for Cahokia, Centreville and Alorton leadership."

Michael Imber is managing director of Conway MacKenzie, part of Dallas, Texas-based Riveron, a business advisory firm that has worked with numerous governmental entities to help them achieve operational efficiency and financial stability. Imber assists U.S. municipalities facing performance and distress situations.

The positives of municipal mergers can be extraordinary," said Imber.

"Among them are reduced bureaucratic expenses, improved purchasing power for supplies, streamlined processes and a broad tax base."

But the negatives, according to Imber, can include loss of local identity and responsiveness to community needs, loss of political power, likely opposition from unions and the expected loss of municipal jobs.