



**EAST-WEST GATEWAY**  
**Council of Governments**

Creating Solutions Across Jurisdictional Boundaries

February 10, 2009

**Bill Tucker, Managing Editor**  
**Edwardsville Intelligencer**  
**117 N. 2nd St.**  
**Edwardsville, IL 62025**

**Dear Mr. Tucker:**

Your article published on February 4 describing our agency's analysis of the extent and effectiveness of development incentives like tax increment financing was an accurate description of the general conclusions of our work. However, we think it's very important that your readers know that the City of Edwardsville is one of those rare local governments in our region that has made appropriate and effective use of a development incentive. In Edwardsville's case, TIF was used on a focused and limited basis to make significant improvements to their downtown area. Those improvements restored a historic area that was, by the plain English definition (as opposed to the meaningless legal one), blighted.

Perhaps even more unusual, your community has resisted the temptation to yield to demands to divert future tax money for the big-box retail developments that are now crippling taxing jurisdictions around our region.

As we describe in the report, our region is not doing well economically, and probably needs an infusion of incentives to bring in good-paying jobs, to restore historic areas, to erase real blight, and to provide services to underserved communities. By using tax increment financing to restore downtown Edwardsville, city officials have made exactly what we envision to be good use of those incentives.

Unfortunately, one of the reasons that so many communities in the metro-east and throughout the St. Louis region have been put in this position is the large financial incentives that have been granted by neighboring communities to developers and chain retailers. One effect of using incentives in this way has been to empty the once thriving "Main Streets" of our region of viable independent businesses. While businesses may come and go in our competitive economic system, many local governments have tilted the playing field and have been picking winners and losers in that competition by providing subsidies to some businesses, while others, usually hometown independent businesses, have to make it on their own.

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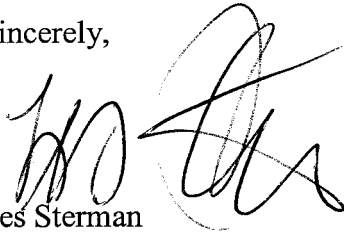
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Mr. Bill Tucker  
February 10, 2009  
Page Two

The City of Edwardsville is to be commended for having the foresight and intelligence to use development incentives in the right way, and we regret any inference otherwise that we may have created with our report, or that your article may have implied. Edwardsville is an unusual exception to the story that we told in our report. We thought it would be important for your readers to know that.

Sincerely,

A handwritten signature in black ink, appearing to read "Les Sterman". The signature is fluid and cursive, with a large loop at the end.

Les Sterman  
Executive Director