

RESOLUTION NUMBER _____

**RESOLUTION APPROVING PARTICIPATION
IN THE DEKALB COUNTY ENTERPRISE ZONE
- SYCAMORE PUBLIC LIBRARY -**

WHEREAS, County of DeKalb, the Town of Cortland, the City of DeKalb, the City of Genoa, the City of Sandwich, the City of Sycamore and the Village of Waterman, (herein after referred to as "the Designating Units of Government") have expressed a desire to apply for a new Illinois Enterprise Zone designation; and,

WHEREAS, the Illinois General Assembly passed Senate Bill 3616 as amended on May 31, 2012, and, which was signed into law by the Governor on August 7, 2012, thereby amending the Illinois Enterprise Zone Act (20 ILCS 655/1 et. seq.), hereafter referred to as "the Act", under the provisions of Public Act 97-905; and,

WHEREAS, the Illinois General Assembly also passed Senate Bill 20 as amended on May 31, 2013, and, which was signed into law by the Governor on July 25, 2013 as Public Act 98-109, portions of which clarified Enterprise Zone related legislation contained in Public Act 97-905 and the Act; and,

WHEREAS, the Act provides for a new Illinois Enterprise Zone designation application process administered by the Illinois Department of Commerce and Economic Opportunity (hereafter referred to as "the Department") subject to the approval and concurrence of the state Enterprise Zone Board, here after referred to as "the Board"; and

WHEREAS, once approved by the Board and certified by the Department, the Enterprise Zone designation will be in effect from January 1, 2016, through December 31, 2031, subject to review by the Board after the 13th year of existence for an additional ten year designation beginning on the expiration date of the Zone; and,

WHEREAS, Enterprise Zones provide state and local incentives used to promote the economic growth of the area; to reduce unemployment; and to encourage expansion, rehabilitation, and new construction of structures within the Enterprise Zone; and,

WHEREAS, the Designating Units of Government have determined and concur that it is desirable and necessary for the DeKalb County region to apply for a new Enterprise Zone designation for the long term benefit and economic viability of the area; and,

WHEREAS, the name of the Enterprise Zone shall be the DeKalb County Enterprise Zone, herein after referred to as "the Zone".

WHEREAS, the Designating Units of Government are seeking agreement with the taxing bodies located within the boundaries of the DeKalb County Enterprise Zone, subject to certification by the Department, to abate real property taxes pursuant to requirements in 35 ILS 200/18-170; and

WHEREAS, certain boundaries of the **SYCAMORE PUBLIC LIBRARY** taxing district lie or will lie in an area within an Enterprise Zone as outlined in the attached "ADDENDUM A", subject to the certification of the Zone by the Department in accordance with the Act; and

WHEREAS, the real property tax abatements will apply only to economic development projects meeting specific criteria outlined below; and

WHEREAS, reimbursement provisions will be implemented if recipients of real property tax abatement fail to meet the job creation and/or retention goals, minimum project wage requirements and/or facility square footage size goals, as outlined below, and

WHEREAS, **SYCAMORE PUBLIC LIBRARY** wishes to participate in the DeKalb County Enterprise Zone real property tax abatement program, subject to certification of the Zone by the Department in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE SYCAMORE PUBLIC LIBRARY BOARD OF TRUSTEES:

That **SYCAMORE PUBLIC LIBRARY** hereby abates real property taxes subject to its jurisdiction, on those properties located within the boundaries of the DeKalb County Enterprise Zone on which improvements have been constructed, as outlined below:

Section 1 – TERM. The term of the Zone will be for 15 years commencing on January 1, 2016, and ending at midnight on December 31, 2031, or until such time as the Zone has expired, been decertified by the Department or repealed by the General Assembly or by ordinance of the participating governmental entities, whichever is sooner. After the 13th year, the zone is subject to review by the state Enterprise Zone Board for an additional 10-year designation beginning on the expiration date of the enterprise zone. During the review process, the state Enterprise Zone Board shall consider the costs incurred by the State and units of local government as a result of tax benefits received by the enterprise zone before granting the extension. Upon approval of the state Enterprise Zone Board, the Zone may further be in effect for an additional 10 years beginning January 1, 2032.

Section 2 – PROPERTY TAX ABATEMENT. That commencing on or after January 1, 2016, taxes on real property levied by the **SYCAMORE PUBLIC LIBRARY** shall be abated on property located within the boundary of the Enterprise Zone, as certified by the Department, and upon which new improvements have been constructed according to the criteria and procedures outlined in Section 2, Subsection B found below. In no event shall any abatement of taxes on any parcel exceed the amount attributable to the construction of the improvements or the renovation or rehabilitation of existing improvements on such parcel.

A) **DEFINITIONS**

- 1) "Memorandum of Understanding" or "MOU" as defined herein is the written agreement between the DeKalb County Enterprise Zone

Administrator, on behalf of the Taxing Bodies participating in the DeKalb County Enterprise Zone property tax abatement program, and the Applicant receiving tax abatement. The MOU defines the terms and conditions by which abatement of real estate property tax is authorized.

- 2) "Industrial Companies" as defined herein, are enterprises where the manufacturing or assembling of goods takes place.
- 3) "Knowledge-Based Companies" as defined herein are enterprises that are research oriented and that require a highly skilled workforce such as biotechnology, electronics and/or professional services such as engineering, architecture, finance, and law. Technical training/vocational schools and telemarketing companies are excluded from this definition.
- 4) "Logistic(s) Companies" as defined herein, as warehousing and distribution businesses that are engaged in the storage and packaging of goods and the transfer of products from a point of origin to a point of consumption.
- 5) "Interstate Competition Market" is defined as the geographic area within the boundaries of the DeKalb County Enterprise Zone, located within 3.5 miles in either direction (north or south) of the center median of Interstate 88, excluding geography encompassed by the City of Sycamore and the **SYCAMORE PUBLIC LIBRARY**.

B) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in areas outside of the Interstate Competition Market area as defined above, including the **SYCAMORE PUBLIC LIBRARY** according to the following terms and conditions.

- 1) Logistics Companies shall construct a minimum of 10,000 square feet for new building construction or must add at least 5,000 square feet to the size of an existing building. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.
- 2) Industrial Companies shall construct a minimum of 10,000 square feet for new building construction or must add at least 5,000 square feet to the size of an existing building. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.
- 3) Knowledge-Based Companies shall construct a minimum of 10,000 square feet of new building construction or must add at least 5,000 square feet to the size of an existing building. Abatement shall only apply

to the increased assessed valuation attributable to said new construction or to said addition.

- 4) Effective date. The abatements outlined in Section "2.B.1." through Section "2.B.3." above will be effective after the said rehabilitation, expansion, or new construction has been completed and will begin following the first full year of a facility's commercial operation. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section "2.F." below.

C) Terms of Abatement – For areas outside of the Interstate Competition Market Area, including the **SYCAMORE PUBLIC LIBRARY**.

- 1) Industrial, Logistic(s) and Knowledge-based Companies. The duration for tax abatement, for projects described in Section "2.B.1." through Section "2.B.3" above, shall be for 5 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

- 1) For taxes levied in the first year of abatement: 90%
- 2) For taxes levied in the second year of abatement: 80%
- 3) For taxes levied in the third year of abatement: 70%
- 4) For taxes levied in the fourth year of abatement: 60%
- 5) For taxes levied in the fifth year of abatement: 50%

D) Job Creation. - Outside of the Interstate Competition Market Area, including the **SYCAMORE PUBLIC LIBRARY**.

New Industrial or Logistic(s) Companies in areas outside of the Interstate Competition Market Area must create a minimum of 20 full-time permanent jobs. For Industrial and Logistic(s) Companies in areas outside of the Interstate Competition Market Area that are adding to the size of an existing building, as referenced in Section "2.B.1." and "2.B.2" above, must create a minimum of 10 additional full-time permanent jobs. Industrial or Logistic(s) Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time. New or expanded Knowledge-based Companies in areas outside the Interstate Competition Market must create one job for every 250 square feet of office space created in conformance with Sections "2.B.3." above.

Said Knowledge-based Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time.

The aforementioned employment thresholds shall be achieved within two years of the date of the execution of the abatement and said thresholds must be maintained over the life of the abatement and shall be defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer,

- E) Wage Rates: Industrial or Logistic(s) Companies must pay an average of \$14 per hour at the subject property as a starting wage with no job paying less than \$11 per hour and shall maintain this wage rate for the life of the Enterprise Zone abatement period. Knowledge-based Companies must pay an average wage of \$20 per hour at the subject property as a starting wage with no job paying less than \$11 per hour and shall maintain this wage rate for the life of the Enterprise Zone abatement period.
- F) Entities meeting qualification criteria outlined in Section "2.B." above must enter into a Memorandum of Understanding with the DeKalb County Enterprise Zone Administrator. The MOU must outline projected job creation and/or job retention, wage rates and capital investment for the eligible Industrial, Logistics-based and Knowledge-based projects. The said Administrator is hereby authorized to enter such agreements on behalf of the DeKalb County Enterprise Zone.

- 1. Entities receiving property tax abatement for eligible Industrial, Logistics-based and Knowledge-based projects agree to maintain a minimum of 95% of the employment level at that location, as described in the Memorandum of Understanding, for the term of abatement.

Should employment levels drop to between 5% and 50% of the project employment level agreed to at that location as described in the Memorandum of Understanding, a pro-rata reduction of the applicable abatement will be implemented for the next tax year or until employment levels return to the levels agreed in the MOU.

Should employment levels drop below 50% of the of the project employment level agreed to at that location as described in the Memorandum of Understanding, abatement shall be terminated for that tax year or until employment levels return to the agreed levels in the MOU.

At the discretion of the Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, failure to maintain a minimum of 50% of the employment levels during the agreement period may result in the immediate termination of remaining abatement and/or the pro-rata repayment of

previously abated real property taxes to the applicable taxing districts.

2. The Administrator of the DeKalb County Enterprise Zone will annually monitor the performance of the eligible recipients of property tax abatement in order to ensure that job, wage and investment projections outlined in the Memorandum of Understanding are being met.
3. The Administrator of the DeKalb County Enterprise Zone, with the advice and consent of the Enterprise Zone Advisory Board, may elect to waive enforcement of any performance measures outlined in the Memorandum of Understanding based on a finding that the waiver is necessary to avert an imminent, demonstrable, and material hardship to the entity that may result in such entity's insolvency or discharge of workers.
4. Upon the effective date of this ordinance, all incentives, general abatements and benefits previously offered and in effect within the boundaries of **SYCAMORE PUBLIC LIBRARY** shall continue for the term of the newly designated DeKalb County Enterprise Zone for the following groups:
 - a. Business enterprises which are receiving general property tax abatement benefits or incentives in the **SYCAMORE PUBLIC LIBRARY** on the effective date of this resolution;
 - b. Business enterprises or expansions which are proposed or under development on the effective date of this resolution, if the business enterprise demonstrates that the proposed business enterprise or expansion has been committed to locating or expanding in the Zone;
 - c. Substantial or binding financial obligations have been made; and such commitments have been made in reasonable reliance on the benefits and programs which would have previously been available as described in a. and b. above.

G) Regulatory and Legal Compliance. The Companies receiving DeKalb County Enterprise Zone property tax abatement shall comply with all federal, state and local environmental laws and regulations. Failure to

comply shall be as determined by the Taxing Bodies and shall not require formal action or finds by any governmental agency or court.

Section 3 – NO TAX LEVY OBJECTION. Taxpayers receiving DeKalb County Enterprise Zone property tax abatement under the terms and conditions of Section 2 above, must agree that they shall not file an objection to the real estate property taxes levied on the Site and/or Facilities or the property tax assessment on the Site and/or Facilities. In the event any real estate property tax protest or objection is filed for the subject property, the Enterprise Zone property tax abatement for the subject property shall automatically terminate.

Section 4 – NO ASSIGNMENT OR TRANSFER. DeKalb County Enterprise Zone property tax abatement shall be specifically granted to the applicant and may not be assigned to or transferred without the written consent of the DeKalb County Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, on behalf of the taxing bodies. In the event that the applicant desires to transfer or assign any or all of its ownership of the subject property where the business located thereon, the transferee shall submit a written request to the DeKalb County Enterprise Zone Administrator requesting transfer of the abatement to the new owner for the time remaining on the abatement.

The DeKalb County Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, shall review the taxpayer's request to transfer said abatement, and determine the taxpayer's eligibility for such transfer, subject to the terms and conditions of Section 2 above and the applicable MOU. The DeKalb County Enterprise Zone Administrator shall notify the affected taxing bodies that such a request has been made and the action taken by the Administrator to address the transfer request.

Section 5 – ADMINISTRATION. By agreement of the joint applicants of the County of DeKalb, the Town of Cortland, the City of DeKalb, the City of Genoa, the City of Sandwich, the City of Sycamore and the Village of Waterman, the Administrator of the DeKalb County Enterprise Zone will be the Executive Director of the DeKalb County Economic Development Corporation. Administration of the Zone will be carried out as described in the Enterprise Intergovernmental Agreement between County of DeKalb, the Town of Cortland, the City of DeKalb, the City of Genoa, the City of Sandwich, the City of Sycamore and the Village of Waterman.

Section 6 – TAX INCREMENT FINANCING DISTRICT OR REDEVELOPMENT AREA OVERLAY. In the event that a Tax Increment Financing (TIF) District or redevelopment district or project area (20 ILCS 655/5.4.1) is, will be, or has been created by a municipality under Division 74.4 of the Illinois Municipal Code, and said redevelopment project area contains property that is located in an Enterprise Zone, and the municipality adopts an Enterprise Zone Designating Ordinance pursuant to Section 5.4 of the Act specifically concerning the abatement of taxes on property, as in Section 2 above, located within a redevelopment project area created pursuant to Division 74.4 of the Illinois Municipal Code, and the Department certifies the Ordinance, then the

property that is located in both the Enterprise Zone and the redevelopment project area shall not be eligible for the abatement of taxes under Section 18-170 of the Illinois Property Tax Code.

Section 7 – LOCAL SOURCING STATEMENT. The Board of Trustees of the **SYCAMORE PUBLIC LIBRARY** encourages companies receiving Enterprise Zone benefits, as provided herein, to utilize local labor and to purchase building materials locally.

Section 8 – CONFLICTING LANGUAGE. All Resolutions or parts of Resolutions conflicting with any provisions of this Resolution shall be and are hereby repealed.

Section 9 – EFFECTIVE DATE. This Resolution shall be in effect from the date of and after its passage, approval and recording and upon certification of the new Enterprise Zone designation by the Illinois Department of Commerce and Economic Opportunity, according to law. Failure to receive certification of the Zone by the Department will render this Resolution null and void.

PRESENTED, PASSED, APPROVED AND RECORDED this 9 day of December 2014.