

RESOLUTION NO. 15-1

AN RESOLUTION ESTABLISHING THE SPRINGFIELD/SANGAMON COUNTY ENTERPRISE ZONE

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 Enterprise Zone Board, hereafter referred to as "the Board; and

WHEREAS, once approved by the County Board of Sangamon County and the City Council of Springfield 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 County Board and the City Council after the 13th year of existence for another ten year designation beginning on the expiration date of the Zone; and,

WHEREAS, a Public Hearing was held on December 5, 2014, on the subject of new Enterprise Zone designation, hereafter known as "the Zone," notice of which was duly advertised in the State-Journal Register on November 25, 2014; 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 City Council of Springfield and the County Board of Sangamon County, also referred to as the Designating Units of Government, have determined and concur that it is desirable and necessary for the region to apply for a new Enterprise Zone designation for the long term benefit and economic viability of the region; and,

WHEREAS, the City Council of Springfield and the County Board of Sangamon County find and concur that the region meets the qualifications established in Section 4 of the Act; and,

WHEREAS, the Designating Units of Government find that the Enterprise Zone as described in Addendum "A" is contiguous as defined in the Act; and,

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Joe Aiello
Sangamon County Clerk

WHEREAS, the two Designating Units of Government find that the Enterprise Zone as described in Addendum "A" shall comprise no more than 12 square miles of land, exclusive of waterways and lakes, as allowed by the Act; and,

WHEREAS, certain parts of the Zone lie within the boundaries of the City of Springfield; and

WHEREAS, certain parts of the Zone lie within the boundaries of the County of Sangamon; and

WHEREAS, the City Council of Springfield desires to designate an area within its jurisdiction as 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 County Board of Sangamon County desires to designate an area within its jurisdiction as 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 name of the Enterprise Zone shall be the Springfield/Sangamon County Enterprise Zone.

NOW, THEREFORE, BE IT RESOLVED by the members of the County Board of Sangamon County, Illinois, in session this 9th day of December, 2014:

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 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.

Commencing on or after January 1, 2016, taxes on real property levied by the CITY OF SPRINGFIELD or Sangamon County can 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 as follows. 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 *nor shall any abatement include both Sangamon County and City of Springfield real property taxes.*

A. DEFINITIONS

- 1) "Memorandum of Understanding" or "MOU" as defined herein is the written agreement between the Springfield/Sangamon County Enterprise Zone Administrator, on behalf of

the Taxing Bodies participating in the Springfield Sangamon 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/Manufacturing" as defined herein, are enterprises where the manufacturing or assembling of goods takes place.
- 3) "Warehouse/Distribution/Logistic(s) Companies" as defined herein, are warehousing and distribution businesses that are engaged in the storage and/or packaging of goods and the transfer or transportation of products from a point of origin to a point of consumption.
- 4) "Office/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, law and telemarketing companies.
- 5) "Retail/Commercial Companies" as described herein, are enterprises in the business of selling products or services in the following categories: Stores selling products to the general public or wholesale customers, restaurants, hotels/motels and related concerns.
- 6) *"Agribusiness facilities" as defined are facilities in the manufacture and distribution of farm equipment and supplies, or the processing, storage, and distribution of farm commodities, or the processing, production and bulk storage of food products for consumption.*
- 7) Exclusions - Retail/Commercial Companies engaged in the following categories of business below shall be ineligible for any property tax abatement as provided herein:
 - 1) self-storage (mini warehouse facilities)
 - 2) automobile service station
 - 3) automatic or self-service coin operated car wash
 - 4) commodity scrap processing
 - 5) convenience food and beverage store
 - 6) gasoline station
 - 7) package liquor store
 - 8) recycling facility
 - 9) cash advance, pay day loan and title loan stores
 - 10) adult entertainment venues including adult bookstores

B. That commencing January 1, 2016, taxes on real property levied by the CITY OF SPRINGFIELD can be abated on property located within the Zone and upon which new improvements have been constructed as follows:

- 1) See Addendum "B", which is attached hereto and incorporated by reference.

Questions as to the eligibility of a project will be decided by the Enterprise Zone Administrator, with advice and consent of the applicable Enterprise Zone Advisory Board.

C. Entities meeting *City of Springfield or Sangamon County* qualification criteria must enter into a Memorandum of Understanding with the Springfield/Sangamon County Enterprise Zone through its Enterprise Zone Administrator, outlining projected job creation and/or job retention, and capital investment for the eligible Office/Knowledge-based, Warehouse/Distribution/Logistic(s) and Industrial/Manufacturing-based projects or documentation that minimum increases in equalized assessed valuation have been met for eligible retail, restaurant, hotel/motel and commercial projects, and said Administrator is hereby authorized to enter such agreements on behalf of the Springfield/Sangamon County Enterprise Zone.

- 1) Entities receiving property tax abatement for eligible Office/Knowledge-based, Warehouse/Distribution/Logistic(s) and Industrial/Manufacturing-based projects must agree to maintain a minimum of 90% of the employment levels at that location as described in the Memorandum of Understanding for the term of abatement. 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 90% 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) Entities receiving property tax abatement for eligible retail, restaurant, hotel/motel and commercial projects must provide documentation of increased assessed valuation as a result of the project in the form of a Notice of Assessment Change from the Sangamon County Supervisor of Assessment's Office or similar documentation as deemed appropriate by the applicable Springfield/Sangamon County Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board.
- 3) The Administrator of the Springfield/Sangamon County Enterprise Zone will annually monitor the performance of the eligible recipients of property tax abatement in order to ensure that job and investment projections as well as changes in equalized assessed valuation outlined in the Memorandum of Understanding are being met.
- 4) The Administrator of the Springfield/Sangamon County Enterprise Zone, with 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.
- 5) Upon the effective date of this ordinance, all incentives and benefits previously offered and in effect in the Springfield Enterprise Zone expiring July 1, 2016, shall continue for the term of the newly designated Springfield/Sangamon County Enterprise Zone, subject to certification of said Zone by the Department, for the following groups:
 - a. Business enterprises which are receiving benefits or incentives in the City of Springfield Enterprise Zone on the effective date of this designating ordinance;

- b. Business enterprises or expansions which are proposed or under development on the effective date of this designating ordinance:
 - i. if the business enterprise demonstrates that the proposed business enterprise or expansion has been committed to locating or expanding in the zone; or
 - ii. 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 because of the enterprise zone.

D. County of Sangamon – That commencing on or after January 1, 2016, taxes on real property levied by the County of Sangamon shall be abated on property located within the boundary of the Enterprise Zone, as certified by the Department, and upon which new improvements with a value in excess of \$100,000 dollars have been constructed as follows:

- a. **Property Tax Abatement Overall Condition.** 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 or existing improvements on such parcel.

i. **QUALIFICATIONS**

ii. Effective date. The abatements 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 MOU as outlined above *and completion of said rehabilitation, expansion or new construction within one (1) year of execution of the MOU as outlined above.*

b. **Tax Abatement:** The duration for tax abatement described above shall be for 10 years or until the expiration, termination or decertification of the Springfield Sangamon County Enterprise Zone or *until the project property is subject to an annexation or pre-annexation agreement*, whichever is sooner. The following abatement schedule shall be followed:

- iii. *For taxes levied in the first five years of abatement: 100%*
- iv. *For taxes levied in the second five years of abatement: 50%*

E. *City of Springfield*

SECTION 3 – ADMINISTRATION.

By agreement of the joint applicants of the City of Springfield, and the County of Sangamon, the Administrator of the Springfield/Sangamon County Enterprise Zone will be the Director of the Office of Planning and Economic Development. Administration of the Zone will be carried out as described in the Enterprise Zone Intergovernmental Agreement between the City of Springfield and the County of Sangamon.

SECTION 4 – ENTERPRISE ZONE ADVISORY BOARD

A. Duties. The Enterprise Zone Advisory Board will perform the following duties with respect to the Enterprise Zone:

- a. Implement, monitor and update established goals and objective.
- b. Establish procedures for the operation and management of the Zone, including appeals processes, and recommendations and advice on policies for the operation and management of the Zone and the administration and enforcement of the Ordinance.
- c. Report to the County of Sangamon and the City of Springfield and other participating taxing bodies, on an annual basis with respect to Zone activities, performance, policies and procedures.
- d. Prepare and distribute to the City and County and participating taxing bodies an annual report for the Zone.
- e. Develop and implement a marketing program to inform local businesses and industries, as well as out of town prospects, about the Zone and its incentive programs.
- f. Coordinate Enterprise Zone programs and activities with the various other planning, economic development and community development entities in the area.
- g. Provide the necessary reporting data to the Illinois Department of Commerce and Economic Opportunity and the Illinois Department of Revenue.
- h. *Wave, add or subtract specific requirements, provisions or penalties provided herein upon good cause.*
- i. Perform other functions and duties as may be stipulated by future amendments to the Agreement by the Parties above or by the Act.

B. Membership. The Enterprise Zone Advisory Board shall be comprised of the Sangamon County Board for projects within unincorporated Sangamon County and shall be composed of the Springfield City Council and the Director of the Office of Planning and Economic Development in his capacity as Springfield/Sangamon County Enterprise Zone Administrator for projects within the corporate limits of the City of Springfield. When the issue is the amendment of the boundaries of the Springfield/Sangamon County Enterprise Zone, the Enterprise Zone Advisory Board shall be comprised of the Springfield/Sangamon County Regional Planning Commission.

- C. Staff. The Springfield/Sangamon County Enterprise Zone Administrator shall serve as advisor and staff to the Springfield/Sangamon County Enterprise Zone Advisory Board in order to assist in carrying out its functions and duties.
- D. Conflict of Interest. Any voting member of the Enterprise Zone Advisory Board who has a direct or an implied conflict of interest must abstain from voting on matters before the Advisory Board and their request(s) for abstention will be recorded in the minutes of the Board.

SECTION 5: ENTERPRISE ZONE ADMINISTRATOR

- A. Zone Administrator: The parties to this Intergovernmental Agreement find and concur that the Director of the City of Springfield Office of Planning and Economic Development shall be the Springfield Sangamon County Enterprise Zone Administrator as previously agreed in the respective designating Ordinance(s) and Resolution(s).
- B. Duties and Responsibilities. The duties and responsibilities of the Springfield/Sangamon County Enterprise Zone Administrator shall be as follows:
 - a. Administration. The Zone Administrator shall administer and enforce the Ordinance, and operate and manage the Zone. All appeals from any decisions or determination of the Zone Administrator shall be taken to the Zone Advisory Board for final resolution.
 - b. Records. The Zone Administrator shall maintain records associated with Zone activities and projects and necessary to the preparation of reports required by the State of Illinois and the state Zone Advisory Board.
 - c. Report Preparation. The Zone Administrator shall prepare all reports required by the State of Illinois and its affected agencies.
 - d. Advisor and Staff to the Enterprise Zone Advisory Board. The Zone Administrator shall serve as advisor and staff to the Zone Advisory Board.
 - e. The Zone Administrator shall initiate and enforce all Springfield Sangamon County Enterprise Zone property tax abatement Memorandums of Understanding between eligible taxpayers and said Administrator as outlined above.
 - f. The Administrator may also enter into other Enterprise Zone agreements as may be required from time to time, at the direction of the Enterprise Zone Advisory Board and the parties to this agreement, or as may be required by the Act.

SECTION 6 – ADMINISTRATION FEES.

As allowed by the Act, the Administrator of the Springfield Sangamon County Enterprise Zone is hereby authorized to collect an Administration Fee for the issuance of Sales Tax Exemption Certificates for Construction Materials in order to offset the management and operational costs associated with the Administration of the Zone. The Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, may also elect to collect a processing fee for related Enterprise Zone activities such as boundary amendment applications, technical correction applications, and/or other applications resulting in an amendment to the Zone or Zone operating procedures, which may change from time to time. At no time will all fees combined, related to a single project, exceed \$50,000 or such amount as may be stipulated in state statute.

SECTION 7 – 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 8 – NO TAX LEVY OBJECTION.

Taxpayers receiving Springfield/Sangamon 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 9 – NO ASSIGNMENT OR TRANSFER.

Springfield/Sangamon 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 Springfield/Sangamon 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 Springfield/Sangamon County Enterprise Zone Administrator requesting transfer of the abatement to the new owner for the time remaining on the abatement.

The Springfield/Sangamon County Enterprise Zone Administrator, with the advice and consent of the applicable 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 Springfield/Sangamon 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 10 – LOCAL SOURCING STATEMENT.

In addition to Section 3 above, the Springfield City Council encourages companies receiving Enterprise Zone benefits, as provided herein, to utilize local labor and to purchase building materials locally.

SECTION 11 – CONFLICTING LANGUAGE.

All Ordinances or parts of Ordinances conflicting with any provisions of this Ordinance shall be and are hereby repealed.

SECTION 12 – EFFECTIVE DATE.

This Ordinance 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.

Respectfully submitted,



Two columns of horizontal lines for additional signatures or text.

**SPRINGFIELD/SANGAMON COUNTY ENTERPRISE ZONE
INTERGOVERNMENTAL AGREEMENT**

This Agreement is made on _____, 2014, by and between the County of Sangamon and the City of Springfield.

WHEREAS, the County of Sangamon and the City of Springfield have adopted ordinance(s) and resolution(s) establishing an Enterprise Zone, herein after collectively referred to as "the Ordinance," subject to certification by the Department of Commerce and Economic Opportunity, herein after referred to as "the Department," including unincorporated portions of the County of Sangamon and incorporated portions of the City of Springfield; and

WHEREAS, the Governor signed Senate Bill 3616, as amended, into law on August 7, 2012, thereby amending the "Illinois Enterprise Zone Act" (20 ILCS 655/1 et. seq.) under the provisions of Public Act 97-0905 outlining new application procedures and related changes to the Illinois Enterprise Zone Program; and

WHEREAS, the Ordinance is or will be part of the application to the Department or designation of and Enterprise Zone pursuant to 35 ILCS 655/1 et. Seq. and Section 18-170 of the Property Tax Code (35 ILCS 20-170) herein after referred to as "Act;" and

WHEREAS, the local units of government listed above desire to operate the Enterprise Zone in an efficient and effective manner in keeping with the terms of the Act and rules and regulations promulgated by the Department and the Illinois General Assembly for the operation of an Enterprise Zone; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises herein after recited, the County of Sangamon and the City of Springfield agree that the following terms shall govern the operation and management of the Enterprise Zone.

SECTION 1 – GENERAL PROVISIONS

The name of the Enterprise Zone shall be the Springfield Sangamon County Enterprise Zone, herein after referred to as the "Zone."

- A. Legal Description. The area as described in Exhibit A of this document and the Ordinance shall be designated as the Springfield Sangamon County Enterprise Zone.
- B. 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 designating 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 and certification by the Department, the Zone may further be in effect for an additional 10 years, beginning January 1, 2032.

- C. Zone Administration. The administration of the Enterprise Zone shall be under the jurisdiction of the City of Springfield, Office of Planning and Economic Development, and more specifically the Zone Administrator shall be the Director of the Office of Planning and Economic Development, or his designee, as outlined in Section IV below.

- D. Administration Fees. As allowed by the Act, the Administrator of the Springfield/Sangamon County Enterprise Zone *with the advice and consent of the Enterprise Advisory Board* is hereby authorized to collect an Administration Fee for the issuance of Sales Tax Exemption Certificates for Construction Materials from entities requesting said exemption, in order to offset the management and operational costs associated with the Administration of the Zone. Said fee shall be equal to .5 percent (1/2%) of the documented cost of building materials for each project up to a maximum of \$50,000 per Certificate (20 ILCS 655/8.2c). The zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, may also elect to collect a processions fee for related Enterprise Zone activities such as boundary amendment applications, technical correction applications, and/or other applications resulting in an amendment to the zone or Zone operation procedures, which may change from time to time. At no time will all fees combined, which are related to a single project, exceed \$50,000 or such amount as may be stipulated in state statute. The parties to this agreement shall have no liability for payment of such fee.

- E. Provisions for Tax Abatement. The parties to this agreement recognize the individual City of Springfield and Sangamon County Enterprise Zone property tax abatement policies of the Designative Units of Government, set forth below. The parties further agree that the taxpayer receiving eligible property tax abatement within the Springfield Sangamon County Enterprise Zone subject to certification and/or as certified by the Department, will be subject to certain terms and conditions in the Memorandum of Understanding between said taxpayer and the Springfield/Sangamon County Enterprise Zone Administrator as also outlined below

SECTION II – OTHER DEFINITIONS

- A. "Memorandum of Understanding" or "MOU" as defined herein is the written agreement between the Springfield/Sangamon County Enterprise Zone Administrator, on behalf of the Taxing Bodies participating in the Springfield Sangamon 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.

- B. "Industrial Companies" as defined herein, are enterprise where the manufacturing or assembling of goods takes place.

- C. "Knowledge-Based Companies" as defined herein are enterprises that are research oriented and that require a highly skilled workforce such as biotechnology, electronic and/or professional services such as engineering, architecture, finance and law. Technical training/vocational schools and telemarketing companies are excluded from this definition.

- D. "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.

- E. *"Agribusiness facilities" as defined are facilities in the manufacture and distribution of farm equipment and supplies, or the processing, storage, and distribution of farm commodities, or the processing, production and bulk storage of food products for consumption.*

SECTION III – DESIGNATING UNITS' OF GOVERNMENT PROPERTY TAX ABATEMENT, JOB CREATION AND WAGE POLICIES. Each designating unit of government for the Springfield Sangamon County Enterprise Zone shall have property tax abatement, job creation and wage policies specific to their unit of government. The terms for each are outlined below.

- A. **County of Sangamon** – That commencing on or after January 1, 2016, taxes on real property levied by the County of Sangamon shall be abated on property located within the boundary of the Enterprise Zone, as certified by the Department, and upon which new improvements *with a value in excess of \$100,000 dollars* have been constructed as follows:

- a. ***Property Tax Abatement Overall Condition.*** 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 or existing improvements on such parcel.

i. **QUALIFICATIONS**

- ii. Effective date. The abatements 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 MOU as outlined above *and completion of said rehabilitation, expansion or new construction within one (1) year of execution of the MOU as outlined above.*

- b. ***Tax Abatement:*** The duration for tax abatement described above shall be for 10 years or until the expiration, termination or decertification of the Springfield Sangamon County Enterprise Zone *or until the project property is subject to an annexation or pre-annexation agreement, whichever is sooner.* The following abatement schedule shall be followed:

- iii. *For taxes levied in the first five years of abatement: 100%*
 iv. *For taxes levied in the second five years of abatement: 50%*

- B. **City of Springfield** – That commencing on or after January 1, 2016, taxes on real property levied by the City of Springfield 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 as follows:

- a. ***Property Tax Abatement Overall Condition.*** 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 or existing improvements on such parcel.

- i. The abatement policy for the City of Springfield shall be as set forth in Addendum "B".

- ii. Logistics Companies shall construct a minimum of 100,000 square feet for new building construction or must add at least 50,000 square feet to the size of and existing building. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.
- iii. Industrial Companies shall construct a minimum of 15,000 square feet for new building construction or must add at least 7,500 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.
- iv. Knowledge-based Companies shall construct a minimum of 10,000 square feet or 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.
- v. The abatements outlined i 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 MOU as outlined above.

C. **Abatement Performance Monitoring Process.** Entities meeting abatement qualification criteria outlined above must enter into a Memorandum of Understanding with the Springfield/Sangamon County Enterprise Zone Administrator. The MOU must outline projected job creation and/or job retention, wage rates and capital investment for the projects. The said Administrator is hereby authorized to enter into such agreements on behalf of the Springfield/Sangamon County Enterprise Zone and the participating taxing bodies *with the advice and consent of said participating taxing bodies* .

- a. Entities receiving property tax abatement for eligible projects as described above agree to maintain a minimum of 90% of the employment level at that location, as described in the MOU, for the term of the abatement.

Should employment levels drop to below 90% of the project employment level agreed to at that location, as described in the MOU, 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 to in the MOU.

Should employment levels drop below 50 percent of the project employment level agreed to at that location, as described in the MOU, 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.

- b. The Administrator of the Springfield/Sangamon 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 MOU are being met.

- c. The Administrator of the Springfield/Sangamon County Enterprise Zone, with advice and consent of the Enterprise Zone Advisory Board, may elect to waive enforcement of any performance measures outlined in the MOU 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.
- d. Upon the effective date of this ordinance, all incentives, general abatements and benefits previously offered and in effect within the boundaries of the City of Springfield Enterprise Zone shall continue for the term of the newly designated Springfield/Sangamon County Enterprise Zone for the following groups:
 - i. Business enterprises which are receiving Enterprise Zone property tax abatement benefits or incentives within the jurisdictions of the parties to this agreement on the effective date of said Agreements;
 - ii. Business enterprises or expansions which are proposed or under development on the effective date of this Intergovernmental Agreement, if the business enterprise demonstrates that the proposed business enterprise or expansion has been committed to locating or expanding in the Zone;
 - iii. 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 Sections d.i and d.ii above;

SECTION IV – ENTERPRISE ZONE ADVISORY BOARD

- A. Duties. The Enterprise Zone Advisory Board will perform the following duties with respect to the Enterprise Zone:
 - a. Implement, monitor and update established goals and objective.
 - b. Establish procedures for the operation and management of the Zone, including appeals processes, and recommendations and advice on policies for the operation and management of the Zone and the administration and enforcement of the Ordinance.
 - c. Report to the County of Sangamon and the City of Springfield and other participating taxing bodies, on an annual basis with respect to Zone activities, performance, policies and procedures.
 - d. Prepare and distribute to the City and County and participating taxing bodies an annual report for the Zone.
 - e. Develop and implement a marketing program to inform local businesses and industries, as well as out of town prospects, about the Zone and its incentive programs.
 - f. Coordinate Enterprise Zone programs and activities with the various other planning, economic development and community development entities in the area.
 - g. Provide the necessary reporting data to the Illinois Department of Commerce and Economic Opportunity and the Illinois Department of Revenue.

- h. *Wave, add or subtract specific requirements, provisions or penalties provided herein upon good cause.*
 - i. Perform other functions and duties as may be stipulated by future amendments to the Agreement by the Parties above or by the Act.
- B. Membership. The Enterprise Zone Advisory Board shall be comprised of the Sangamon County Board for projects within unincorporated Sangamon County and shall be composed of the Springfield City Council and the Director of the Office of Planning and Economic Development in his capacity as Springfield/Sangamon County Enterprise Zone Administrator for projects within the corporate limits of the City of Springfield. When the issue is the amendment of the boundaries of the Springfield/Sangamon County Enterprise Zone, the Enterprise Zone Advisory Board shall be comprised of the Springfield/Sangamon County Regional Planning Commission.
- C. Staff. The Springfield/Sangamon County Enterprise Zone Administrator shall serve as advisor and staff to the Springfield/Sangamon County Enterprise Zone Advisory Board in order to assist in carrying out its functions and duties.
- D. Conflict of Interest. Any voting member of the Enterprise Zone Advisory Board who has a direct or an implied conflict of interest must abstain from voting on matters before the Advisory Board and their request(s) for abstention will be recorded in the minutes of the Board.

SECTION V: ENTERPRISE ZONE ADMINISTRATOR

- A. Zone Administrator: The parties to this Intergovernmental Agreement find and concur that the Director of the City of Springfield Office of Planning and Economic Development shall be the Springfield Sangamon County Enterprise Zone Administrator as previously agreed in the respective designating Ordinance(s) and Resolution(s).
- B. Duties and Responsibilities. The duties and responsibilities of the Springfield/Sangamon County Enterprise Zone Administrator shall be as follows:
- a. Administration. The Zone Administrator shall administer and enforce the Ordinance, and operate and manage the Zone. All appeals from any decisions or determination of the Zone Administrator shall be taken to the Zone Advisory Board for final resolution.
 - b. Records. The Zone Administrator shall maintain records associated with Zone activities and projects and necessary to the preparation of reports required by the State of Illinois and the state Zone Advisory Board.
 - c. Report Preparation. The Zone Administrator shall prepare all reports required by the State of Illinois and its affected agencies.
 - d. Advisor and Staff to the Enterprise Zone Advisory Board. The Zone Administrator shall serve as advisor and staff to the Zone Advisory Board.

- e. The Zone Administrator shall initiate and enforce all Springfield Sangamon County Enterprise Zone property tax abatement Memorandums of Understanding between eligible taxpayers and said Administrator as outlined above.
- f. The Administrator may also enter into other Enterprise Zone agreements as may be required from time to time, at the direction of the Enterprise Zone Advisory Board and the parties to this agreement, or as may be required by the Act.

SECTION VI – ZONE MANAGEMENT COSTS AND OPERATION

- A. Staff salary and fringe benefits of the Zone Administrator shall be determined and paid by the City of Springfield Office of Planning and Economic Development as a part of his or her responsibilities as Director of the Office of Planning and Economic Development.
- B. Operating expenses for the administration of the Zone *shall be paid by the City of Springfield Office of Planning and Economic Development from funds received pursuant to section 6 of the Springfield Sangamon County Enterprise Zone Ordinance* and may include, but are not limited to:
 - a. Expenses related to promoting the Zone, e.g. brochure production and dissemination, television and newspaper advertising or other electronic marketing, workshops, presentations and travel.
 - b. Clerical, copying, printing, postage and minor equipment expenses associated with Zone Advisory Board meetings, activities of the Zone Advisory Board and reporting to the State of Illinois.

SECTION VII- Intentionally left blank.

SECTION VIII – NO TAX LEVY OBJECTION. Taxpayers receiving Springfield/Sangamon County Enterprise Zone property tax abatement under the terms and conditions of above must agree that they shall not file an objection to the real estate property taxes levied 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 IX – NO ASSIGNMENT OR TRANSFER. Springfield/Sangamon 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 Springfield Sangamon 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 Springfield/Sangamon County Enterprise Zone Administrator requesting transfer of the abatement to the new owner for the time remaining on the abatement.

The Springfield/Sangamon 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 outlined above and the applicable MOU. The Springfield/Sangamon 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 X – 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 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 XI – LOCAL SOURCING STATEMENT. The Designating Units of Government encourage companies receiving Enterprise Zone benefits, as provided herein, to utilize local labor and to purchase building materials locally.

SECTION XII – EFFECTIVE DATE. This Agreement 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 Agreement null and void.

SECTION XIII – COMPLIANCE WITH OTHER LAWS. Neither the passage of this Agreement nor the establishment of an Enterprise Zone shall excuse compliance with other applicable laws, ordinances or regulations, unless expressly superseded by the Agreement or the Enterprise Zone Act. Any development undertaken pursuant to the creation of the Enterprise Zone shall be performed in full compliance with all applicable laws and processes.

SECTION XIV – REASONABLE ACTION. For matters related to the operation, amendment or modification of the Springfield/Sangamon County Enterprise Zone which will result in job creation, retention or capital investment within the boundaries or proposed boundaries of the Zone that, by statute, require the approval of the Designating Units of Government, the parties of this Intergovernmental Agreement stipulate and concur that said approval shall not be unreasonably withheld by any of said Designating Units of Government.

This agreement is made as of the year and day first above written.

City of Springfield

County of Sangamon

By: _____
Mayor

By: _____
County Board Chairman