

**NAME OF MUNICIPALITY/COUNTY**

**LINCOLN & 394 CORRIDOR ENTERPRISE ZONE**

---

**ORDINANCE NUMBER \_\_\_\_\_**

**AN ORDINANCE FOR THE ESTABLISHMENT OF AN ENTERPRISE ZONE SUBJECT TO THE ENTERPRISE ZONE ACT OF THE STATE OF ILLINOIS.**

**WHEREAS**, the State of Illinois Enterprise Zone Act (20 ILCS 655/1 et seq) provides for the creation of enterprise zones to encourage private sector investments in economically distressed areas throughout the State; and

**WHEREAS**, The Village of Beecher, The City of Chicago Heights, The Village of Crete, The Village of Ford Heights, The Village of Glenwood, The Village of Olympia Fields, The Village of Sauk Village, The Village of South Chicago Heights, The Village of Steger (the "Municipalities"), The County of Cook, and the County of Will (the "Counties") are organized and existing under the laws of that State of Illinois. Each have areas within their respective legal boundaries that are economically distressed and would benefit from private sector investments under the Illinois Enterprise Zone Act; and

**WHEREAS**, the aforesaid Municipalities and Counties have joined in the collective pursuit of a joint Enterprise Zone, subject to approval of their respective governing bodies; and

**WHEREAS**, it is determined that it is in the best interest of the citizens of the Counties and Municipalities to establish an Enterprise Zone and encourage private sector investments within said Enterprise Zone; and

**WHEREAS**, prior to filing of an application for approval of the designation of an Enterprise Zone under the Illinois Enterprise Zone Act, it is required that the Counties and Municipalities adopt an Ordinance designating the proposed Enterprise Zone; and

**NOW, THEREFORE, BE IT ORDAINED BY THE \_\_\_\_\_ of \_\_\_\_\_, as follows:**

**SECTION 1: INCORPORATION BY REFERENCE**

The above Recitals are incorporated herein by reference and become part of this Section as if fully stated herein.

**SECTION 2: ENTERPRISE ZONE DESIGNATION**

An Enterprise Zone is hereby declared and established as an Enterprise Zone by the Municipalities and the Counties pursuant to authority granted by the Illinois Enterprise Zone Act, as amended, subject to the approval by the Illinois Enterprise Zone Board and certification by the Illinois Department of Commerce and Economic Opportunity. This Enterprise Zone is hereby named and designated as the **LINCOLN & 394 CORRIDOR Enterprise Zone**.

**SECTION 3: TERM**

The term of the Enterprise Zone is 15 years, subject to the effective date of certification of the Enterprise Zone and the potential 10-year renewal prescribed under the Illinois Enterprise Zone Act.

**SECTION 4: DESCRIPTION OF ZONE**

The area of the designated Enterprise Zone is described in the legal description in **EXHIBIT A** and as outlined in the map in **EXHIBIT B**, which exhibits are attached to this Ordinance and incorporated herein by reference (the "Zone Area").

**SECTION 5: QUALIFICATIONS.** The Counties and the Municipalities hereby declare and affirm that the Zone Area is qualified for designation as an Enterprise Zone in accordance with the provisions of the Illinois Enterprise Zone Act, and it is **FOUND**:

- a. The Zone Area is a contiguous area and comprised of the unincorporated areas of the Counties and the incorporated areas of the Municipalities;
- b. The Zone Area comprises an area larger than one-half square miles and not more than Fifteen square miles in total area;
- c. The Zone Area is a depressed area;
- d. The Zone Area addresses a reasonable need to encompass portions of more than one (1) municipality and adjacent unincorporated areas of the County;
- e. The Zone Area exceeds the minimum requirement of meeting 3 of the 10 criteria specified in the Illinois Enterprise Zone Act (20ILCS 655/4 (f));
- f. On the \_\_\_\_ day of \_\_\_\_\_, 2019, a public hearing was conducted pursuant to a Notice duly published in a newspaper of general circulation, within the Zone Area, not more than 20 days nor less than 5 days before the hearing date, on the question of whether to create the zone, what local plans, tax incentives and other programs should be established in connection with the zone and what the boundaries of the zone should be;

- g. The Zone Area satisfies any additional criteria stated in the Illinois Enterprise Zone Act or established by the Rules of the Illinois Department of Commerce and Economic Opportunity;

All of the above stated **FINDINGS** are supported, sustained and consistent with the substantive materials contained in the Enterprise Zone Qualifications Report, attached hereto as **EXHIBIT C**, and incorporated herein by reference.

## **SECTION 6: INCENTIVES**

The State of Illinois, Counties and Municipalities offer incentives designed to encourage businesses in the private sector to locate or expand within an Enterprise Zone, subject to terms, conditions, rules and legal limitations in the law:

### **STATE INCENTIVES**

- **Sales Tax Exemption** - A 6.25 percent state sales tax exemption is permitted on building materials to be used in an Enterprise Zone. Materials must be permanently affixed to the property and must be purchased from a qualified retailer.
- **Enterprise Zone Machinery and Equipment Consumables/Pollution Control Facilities Sales Tax Exemption** - A 6.25 percent state sales tax exemption on purchases of tangible personal property to be used in the manufacturing or assembly process or in the operation of a pollution control facility within an Enterprise Zone is available. Eligibility is based on a business making an investment in an Enterprise Zone of at least \$5 million in qualified property that creates a minimum of 200 fulltime-equivalent jobs, a business investing at least \$40 million in a zone and retaining at least 2,000 jobs, or a business investing at least \$40 million in a zone which causes the retention of at least 80 percent of the jobs existing on the date it is certified to receive the exemption.
- **Enterprise Zone Utility Tax Exemption** - A state utility tax exemption on gas, electricity and the Illinois Commerce Commission's administrative charge and telecommunication excise tax is available to businesses located In Enterprise Zones. Eligible businesses must make an investment of at least \$5 million in qualified property that creates a minimum of 200 full-time equivalent jobs in Illinois, an investment of \$20 million that retains at least 1,000 full-time-equivalent jobs, or an investment of \$175 million that creates 150 full-time equivalent jobs in Illinois. The majority of the jobs created must be located In the Enterprise Zone where the investment occurs.
- **Enterprise Zone Investment Tax Credit** - A state investment tax credit of 0.5 percent is allowed a taxpayer who invests in qualified property in a Zone. Qualified property includes machinery, equipment and buildings. The credit may be carried forward for up to five years. This credit is in addition to the regular 0.5 percent Investment tax credit, which is available throughout the state, and up to 0.5 percent credit for increased employment over the previous year.

- **Contribution Deduction** - Businesses may deduct double the value of a cash or in-kind contribution to an approved project of a Designated Zone Organization from taxable income.

**LOCAL INCENTIVES AND FEES**

Local governments, through the assistance and coordination of the Enterprise Zone Administrator, may provide a variety of local incentives to further encourage economic growth and investment within enterprise zones. The incentives offered are determined by the Counties and Municipalities. The following local Enterprise Zone incentives are hereby offered:

- Abatement or reimbursement of 50% of the municipal portion of property taxes on new improvements for industrial, commercial, or institutional properties during the first five years following the completion of these improvements in accordance with Section 18-170 of the Property Tax Code (35 ILCS 200/18-170). This benefit will not be applicable if the project investor is also the recipient of tax relief under the terms of a tax increment finance (TIF) agreement or other substantial property tax abatement for this property provided by a unit of local government.
- Waiver of 50% of building permit fees for industrial, commercial, or institutional projects.
- The Enterprise Zone will provide officials of the Municipalities and Counties that are signatories to the Intergovernmental Agreement, which is Attachment D to this Ordinance, with certain written documentation and materials relative to additional incentives, including public or not-for-profit financing and workforce development programs, which Municipal and County officials may make available to the project developer, and other interested individuals. There is no representation that the available documents and materials include all incentives and program available to the project.

The Zone Administrator shall file a copy of the Enterprise Zone’s fee schedule with the Department of Commerce and Economic Opportunity by April 1 of each year. The Zone Administrator may charge up to 0.5% (one half of one percent) of the cost of building materials of the project associated with the Enterprise Zone, provided that a maximum fee of no more than \$50,000 is permitted (20 ILCS 655/8.2 (c).

**SECTION 7: INTERGOVERNMENTAL AGREEMENT**

The Enterprise Zone shall be governed, managed and operated in accordance with the Intergovernmental Agreement between the Counties and Municipalities as set forth in **EXHIBIT D**, which is attached hereto and incorporated into this Ordinance, by reference. The attached Intergovernmental Agreement (**EXHIBIT D**) was presented to the legislative body of \_\_\_\_\_ and its attorney for

review. The \_\_\_\_\_ is hereby directed to execute this Agreement, on behalf of the \_\_\_\_\_. Further, the \_\_\_\_\_ or his or her designee is directed to sign all documents reasonably necessary in the furtherance of the Joint Application for said Enterprise Zone, to be filed with the Illinois Department of Commerce and Economic Opportunity.

**SECTION 8: POLICY STATEMENT.** The Counties and the Municipalities hereby declare and affirm that businesses using the Enterprise Zone will be encouraged to hire and utilize other businesses owned by individuals who are minorities, women, and persons with disabilities as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/0.01, *et seq.*). To further that goal, the Municipalities and the Counties agree as follows:

- a. **Creation of Policy Statement for Development:** The Municipalities and the Counties hereby establish the Enterprise Zone Policy Statement that expresses a desire for the commitment from Businesses within the Enterprise Zone to encourage the development of business entities owned by minorities, women, and persons with disabilities.
- b. **Creation of Policy Statement for Hiring:** The Municipalities and the Counties hereby establish the Enterprise Zone policy statement that expresses a desire and commitment from businesses to promote the hiring of individuals who are minorities, women, and persons with disabilities.
- c. **Creation of Policy Statement for Using other Businesses:** The Municipalities and Counties hereby establish the Enterprise Zone policy statement expresses a desire and commitment from businesses to promote the utilization of other businesses that are minority-owned, women-owned, or owned by persons disabilities.
- d. **Creation of a Database -** The Zone will create a database and list of local businesses that are owned by minorities, women, and persons with disabilities This information will be used as a matchmaking tool for Zone participants to diversify their subcontracting by utilizing businesses owned by minorities, women, and persons with disabilities.
- e. **Publish and Distribute Promotional Materials -** The Zone will publish a brochure that will be provided to business owners within the Zone that explains the benefits of utilizing businesses owned by minorities, women, and persons with disabilities.
- f. **Conduct Promotional Activities -** The Zone will conduct at least one public meeting each year to describe the Zone benefits for businesses owned by minorities, women, and persons with disabilities.
- g. **Incorporate Promotional Statement -** The Zone will provide a statement on project applications, promotional materials, and Zone publications that the Zone encourages the use of businesses owned by and the hiring of minorities, women, and people with disabilities.
- h. **Examine Participation -** The Zone will establish measurements of participation of firms and persons defined under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/0.01, *et*

seq.) to determine the effectiveness of these efforts and how they might be revised to optimize their impact.

- i. **Incorporate Affidavits from Zone Participants** - The Zone will request that business applicants for Zone benefits submit a signed Affidavit about their efforts to promote and encourage the utilization of businesses that are owned by minorities, women, and persons with disabilities.

**SECTION 9: SEVERABILITY**

This Ordinance and every provision thereof shall be considered severable and the invalidity of any section clause, paragraph, sentence or provision of this Ordinance will not affect the validity of any other portion of this Ordinance.

**SECTION 10: PUBLICATION AND EFFECTIVE DATE**

\_\_\_\_\_ is hereby authorized to publish this Ordinance in pamphlet form. This Ordinance shall be in full force and effect from after its passage, approval and publication as required by law.

Presented, passed and approved this \_\_\_\_ day of \_\_\_\_\_, 2019.

AYES: \_\_\_\_\_

NAYS: \_\_\_\_\_

ABSENT: \_\_\_\_\_

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
TITLE

ATTEST:  
  
\_\_\_\_\_  
TITLE

**EXHIBIT A**

*Legal Description of the Enterprise Zone Area*

**EXHIBIT B**

*Map of the Enterprise Zone Area*

**EXHIBIT C**



*Enterprise Zone Qualifications Report*

**EXHIBIT D**

*Intergovernmental Agreement*