

**INTERGOVERNMENTAL AGREEMENT
AMENDING ENTERPRISE ZONE DESIGNATION AND OPERATION CRITERIA**

This intergovernmental agreement ("IGA") is dated _____, 2021, and is between the COUNTY OF McLEAN ("**McLean County**"), the COUNTY OF FORD ("**Ford County**"), the CITY OF BLOOMINGTON ("**Bloomington**"), the CITY OF GIBSON CITY ("**Gibson City**"), and the TOWN OF NORMAL ("**Normal**"), collectively referred to as the Designating Units of Government ("**Designating Units**").

Whereas, the parties are authorized to enter into intergovernmental agreements under Section VII of the Illinois Constitution and the Illinois Intergovernmental Cooperation Act; and

Whereas, the Illinois Intergovernmental Cooperation Act provides any power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of the State of Illinois may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State of Illinois and jointly with any public agency (5 ILCS 220/3); and

Whereas, the Illinois Municipal Code provides the corporate authorities of a municipality may appropriate and expend funds for economic development purposes, including, without limitation, the making of grants to any other governmental entity or commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the municipality (65 ILCS 5/8-1-2.5); and

Whereas, the Designating Units designated the Bloomington Normal Enterprise Zone ("**Zone**"), which was approved under the Illinois Enterprise Zone Act (20 ILCS 655/); and

Whereas, the Property Tax Code allows taxing bodies to grant an abatement for property improvements made within the Zone (35 ILCS 200/18-170); and

Whereas, the parties desire to establish a uniform system of granting abatements for qualifying properties within the Zone and jointly exercise the authority to make grants for economic development purposes.

The parties, therefore, incorporate and agree to the recitals as fully set forth herein and further agree as follows:

Section 1. PURPOSE. The purpose of this agreement is to organize and coordinate the efforts of the Designating Units in supporting the designation and operation of the Zone under the provisions of the Enterprise Zone Act (20 ILCS 655/).

Section 2. DESCRIPTION. The property that is the subject of this agreement is described in Exhibit A ("**Zone Property**"). The Zone Property is located partly in the jurisdiction of each of the Designating Units.

Section 3. DESIGNATING ORDINANCE. Each party to this IGA has adopted a designating ordinance meeting the requirements of the Enterprise Zone Act. Each party agrees to adopt any other ordinances or legislation as may be necessary to carry out the intent of the designating ordinance.

Section 4. APPLICATION. The parties agree to submit to the Department of Commerce and Economic Opportunity (the "**Department**") a joint application as may be required under section 5.4 of the Enterprise Zone Act.

Section 5. ADMINISTRATOR. The Designating Units hereby appoint the President/CEO of the Economic Development Council of Bloomington Normal Area ("**BNEDC**") to serve, ex officio, as the Administrator of the Enterprise Zone ("**Zone Administrator**"). Each Designating Unit agrees to take any necessary action to ensure that the Zone Administrator has the authority to perform his or her duties as set forth in this IGA. In selecting an Administrator, each Designating Unit has one vote, which shall be cast by the chief executive officer of each Designating Unit (mayor or county board chairman, as applicable). Each Administrator continues to hold the position until he or she resigns or dies or until the chief executive officers of at least 3 of the Designating Units vote to discharge him or her.

The duties and responsibilities of the Bloomington Normal Enterprise Zone Administrator are as follows:

- A. Administration. The Zone Administrator shall administer the IGA and related ordinances and operate and manage the Zone. All appeals from any decisions or determination of the Zone Administrator will 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.
- C. Report Preparation. The Zone Administrator shall prepare all reports required by law.
- D. Advisor and Staff to the Enterprise Zone Advisory Board. The Zone Administrator shall serve as advisor and staff to the Zone Advisory Board. The Administrator shall prepare agendas, minutes, handle correspondence, and maintain the records of the Enterprise Zone Advisory Board.

Section 6. ENTERPRISE ZONE ADVISORY BOARD

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

- 1) Implement, monitor, and update established goals and objectives.
- 2) Establish procedures for the operation and management of the incentives under section 8, including appeals processes and to recommend and advise on policies for the administration, operation and management of the Zone.

B. Membership. The Enterprise Zone Advisory Board will be composed of each Director of the BNEDC, the County Board Chair of Ford County, and the Mayor of Gibson City, each serving in an ex officio capacity.

C. Terms of Membership. The terms of membership for Zone Advisory Board members shall be as follows.

Bloomington Normal Enterprise Zone Advisory Board members shall serve during their respective terms on the BNEDC Board of Directors. In the case of elected officials, their term on the Advisory Board will be the same as their respective term in elected office.

D. Quorum and voting. A quorum of the Board is a majority of the voting members then holding office. The Board may approve any action by the affirmative vote of a majority of those voting on the question. Each voting member will have one vote for any and all matters upon which the Board must vote. The Chair may vote only in the case of a tie.

E. Compensation. Enterprise Zone Advisory Board members shall serve without compensation.

F. Staff. The Zone Administrator shall serve as advisor and staff to the Enterprise Zone Advisory Board in order to assist in carrying out its functions and duties.

G. Conflict of Interest. Any member of the Enterprise Zone Advisory Board who has a direct or indirect conflict of interest on any action that comes before the Board shall make their conflict known, abstain from participating in any discussion of the action, and abstain from voting on that action. The member's abstention will be recorded in the minutes for the Board.

Section 7. ZONE MANAGEMENT COSTS AND OPERATION

- A. The Zone Administrator may charge an application fee. The application fee must be in accordance with section 8.2 of the Illinois Enterprise Zone Act, as amended. The fee will be payable to the BNEDC. The Zone Administrator shall file a copy of the Zone's fee schedule with the Department by April 1 of each year.
- B. The BNEDC may use the proceeds of the application fee under section 7(A) to pay for the operating expenses of the Zone and project related activities which benefit the region's economic development strategy and plan, which are directly impacted by the Zone and as authorized by law.

Section 8. INCENTIVES

- A. Definitions. In addition to any definitions in the introductory clause or recitals, as used in this IGA:
 - 1) "Abatement Increment" means the amount of property tax to a Designating Unit that is attributed to the New Improvements in any Assessment Year and that is payable to that Designating Unit in the subsequent Taxable Year.
 - 2) "Abatement Period" means the period during which the project is entitled to receive an abatement under this IGA.
 - 3) "Assessment Year" means the year in which property taxes are assessed on the project property.
 - 4) "Eligible Project" means a commercial project that meets all of the following criteria:
 - a. the project is located within the Zone;
 - b. the project consists of New Improvements;
 - c. the project will result in the creation of 25 or more full-time-equivalent jobs, which will be maintained throughout the Abatement Period; and
 - d. the project will result in an investment of \$250,000 or more in New Improvements.
 - 5) "Grantee" means any entity who owns or operates a project applying for or receiving an abatement or other financial consideration under this IGA.
 - 6) "New Improvement" means an improvement on the project property that has been newly constructed or that has been renovated or rehabilitated.
 - 7) "Non-Retail Project" means an Eligible Project that is not a Retail Project.
 - 8) "Retail Project" means an Eligible Project:

- a. that is a restaurant or drinking establishment;
 - b. that is a hotel or motel; or
 - c. that is any other establishment that derives 50% or more of its revenue from the retail sale of tangible personal property.
- 9) "Significant Impact Business" means a Non-Retail Project that meets one or more of the following criteria:
- a. The project will conduct the majority of its operations in one or more of the following industries: agribusiness; logistics and warehousing; information technology; information technology manufacturing; clean technology manufacturing; finance; insurance; or real estate.
 - b. The project will create jobs with an average income, across all new positions, that is greater than the per-capita income level of the county in which the project is located, as determined by the most recent American Community Survey 5-Year estimates.
 - c. The project will be located in a targeted area designated by the municipality in which the project is located or, if the project is located in an unincorporated area by the county in which the project is located. The targeted areas may include: officially-designated brownfields; distressed areas, as defined by the federal New Markets Tax Credit program; Opportunity Zones; designated "shovel-ready" sites; or similar areas.
 - d. The project will derive more than 65% of its revenue from foreign exports.
- 10) "Substantially Complete" means that a certificate of occupancy has been issued for the New Improvements.
- 11) "Taxable Year" means the year in which property taxes incurred in the Assessment Year are payable.
- 12) "Zone Administrator" means the Administrator as defined in section 5 above.
- B. Property Tax Abatement for Retail Projects.
- 1) A Retail Project is eligible to receive a three-year property tax abatement from the applicable Designating Unit of Government in the following amounts:
- a. for the first Taxable Year: 100% of the Abatement Increment; and
 - b. for the second Taxable Year: 75% of the Abatement Increment; and
 - c. for the third Taxable Year: 50% of the Abatement Increment.

- 2) The property tax abatement under this section will begin on the first Taxable Year that follows the first Assessment Year in which the Substantially-Complete New Improvements have been assessed.
 - 3) In no event shall any abatement of property 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.
 - 4) The property tax abatement under this section will terminate on the earlier of (i) the completion of the third Taxable Year after the property tax abatement is awarded or (ii) the termination or decertification of the Zone.
- C. Property Tax Abatement for Non-Retail Projects:
- 1) A Non-Retail Project is eligible to receive a five-year property tax abatement from the applicable Designating Unit of Government in the following amounts:
 - a. for the first Taxable Year: 100% of the Abatement Increment; and
 - b. for the second Taxable Year: 80% of the Abatement Increment; and
 - c. for the third Taxable Year: 60% of the Abatement Increment; and
 - d. for the fourth Taxable Year: 40% of the Abatement Increment; and
 - e. for the fifth Taxable year: 20% of the Abatement Increment.
 - 2) The property tax abatement under this section will begin on the first Taxable Year that follows the first Assessment Year in which the Substantially-Complete New Improvements have been assessed.
 - 3) In no event shall any abatement of property 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.
 - 4) The property tax abatement under this section will terminate on the earlier of (i) the completion of the fifth Taxable Year after the abatement is awarded or (ii) the termination or decertification of the Zone.
- D. Additional Non-Retail Project Economic Development Incentive Payment.
- 1) For each year, after the first, that a Non-Retail Project receives a property tax abatement under section 8(C), that project is also eligible to receive an additional economic-development incentive payment from each Designating Unit in which the project is located if that project meets one or more of the following criteria:
 - a. At least 80% of the workers hired to construct or renovate the New Improvements had their primary residence in McLean County or Ford County at the time of the construction or renovation and completed a Department of Labor Industry-Recognized Apprenticeship Program.

- b. At least 80% of the new employees hired as full-time employees by the company as a result of the project have their primary residence in McLean County or Ford County.
 - c. Of the new employees hired as full-time employees as a result of the project, the company will hire women and minorities at a rate that is 120% of the average women and minority workers compared to total workers, as defined by the U.S. Census Bureau, for the county in which the project is located.
 - d. The company will create and maintain an apprenticeship program that involves Heartland Community College or one or more of the secondary school districts in either McLean County or Ford County.
 - 2) The amount of the incentive payment in any Taxable Year will be the lesser of:
 - a. An amount equal to 20% of the Abatement Increment for that Designating Unit for each of the criteria met under section 8(D)(1); or
 - b. An amount that, when added to the amount of the property tax abatement for that Taxable Year under section 8(C), is equal to 100% of the Abatement Increment for that Designating Unit.
 - 3) Each Designating Unit making an incentive payment under this section 8(D) shall pay the incentive payment from its general revenues or other authorized funds. The incentive payment will be paid in one or more installments during the Taxable Year in which the incentive is due.
- E. Property Tax Abatement for Significant Impact Businesses.
- 1) An eligible Significant Impact Business is eligible to receive a five-year property tax abatement from the applicable Designating Unit. The amount of the abatement will be 100% of the Abatement Increment for that Taxing District for each Taxable Year in the Abatement Period.
 - 2) The abatement under this section will begin on the first Taxable Year that follows the first Assessment Year in which the Substantially-Complete New Improvements have been assessed.
 - 3) The abatement under this Section will terminate on the earlier of (i) the completion of the fifth Taxable Year after the abatement is awarded or (ii) the termination or decertification of the Zone.
 - 4) A Significant Impact Business that receives an abatement under this Section may not receive any other abatement under this IGA.

- F. Restrictions. No abatement may be granted for any Abatement Increment attributed to any of the following:
- 1) Residential development.
 - 2) Self-storage facilities or mini warehouse facilities.
 - 3) Automotive service stations.
 - 4) car wash facilities.
 - 5) Commodity scrap processing.
 - 6) Convenience food and beverage store.
 - 7) Gasoline station.
 - 8) Package liquor store.
 - 9) Recycling facility.
 - 10) Cash advance lender, pay-day lender, title-loan lender, or similar project.
 - 11) Any cannabis facility authorized under the Compassionate Use of Medical Cannabis Program Act or under the Cannabis Regulation and Tax Act.
 - 12) Any adult-entertainment venue, including adult bookstores.
 - 13) Wind or solar energy project.
- G. TIF Districts. No project may receive an abatement under this IGA if it is located within a project redevelopment area created under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/74.4-1 et seq.)
- H. Limits on relocation.
- 1) No project may receive an abatement under this IGA if that project terminates operation in one Designating Unit and initiates operations in another Designating Unit unless the Zone Administrator finds that the terminated location contained inadequate space, had become economically obsolete, or was no longer a viable location for the project.
 - 2) For the purpose of this section, of this paragraph, termination means a closing of a project that is directly related to the opening of the same operation or like project owned or operated by more than 50% of the original ownership.
- I. Library levies. Taxes levied by a municipality for a public library under the Illinois Local Library Act (75 ILCS 5/) will not be abated under this IGA unless that public library agrees to abate by separate resolution.

J. Local Labor requirements.

- 1) If the costs for the New Improvements will exceed \$4 million, then to be eligible for an abatement under this IGA, the Grantee must submit a Local-Labor plan to the EDC before the construction or renovation of the improvements. The Local-Labor plan must provide for:
 - a. The equitable opportunity for local labor contractors with apprenticeship programs to submit bids for the skilled craft work required for the New Improvements.
 - b. The planned use of at least 80% Local Labor by any non-local contractor who is awarded work related to the New Improvements.
- 2) The Zone Administrator may waive the requirement for a Local-Labor plan if the Grantee can show that any or all of the following conditions apply:
 - a. Certain required skilled resources are not sufficiently available in the Local Labor Market Area.
 - b. An awarded bid to a lower cost resource provider requires the use of non-Local Labor in order to meet bid requirements.
 - c. The requirement for the use of Local Labor would be prohibited by any applicable government-funding requirements or would otherwise be unlawful.
- 3) For the purpose of this section "Local Labor" means any worker whose primary residence is located within the Local Labor Market Area as established for the Bloomington Normal Enterprise Zone application.

K. Application.

- 1) All Grantees requesting an abatement under this IGA must apply to the Zone Administrator. The applications must be in the form and manner determined by the Zone Administrator.
- 2) The Zone Administrator will evaluate all applications and determine whether the project meets the requirements for the abatement.
- 3) The Zone Administrator shall notify each party whether an application is approved or denied.

Section 9. PERFORMANCE MONITORING PROCESS

- A. The Zone Administrator is hereby authorized to execute the incentive agreement on behalf of each Designating Unit and Participating Taxing Body. Before receiving any abatement or incentive under section 8, each Grantee must execute a incentive agreement with each Designating Unit providing the incentive. This incentive agreement will outline the projected number of jobs to be created or retained by the Project and the capital investment for the Project. The incentive agreement must require the Grantee to maintain a

minimum of 80% of the employment levels at that location as described in the incentive agreement for the Abatement Period. At the discretion of the Zone Administrator, with the advice of the Enterprise Zone Advisory Board, failure to maintain the required employment levels may result in the immediate termination of remaining abatement or the repayment of previously received incentives.

- B. The Zone Administrator will annually monitor the performance of the Grantee in order to ensure compliance with the incentive agreement.
- C. The Zone Administrator shall inform the Grantee of required enterprise zone-related, State of Illinois reporting requirements. Failure to report Enterprise Zone benefits as required by the Illinois Department of Revenue or other state agencies may result in termination of all locally designated Bloomington Normal Enterprise Zone benefits.
- D. As set forth in this subsection, the Zone Administrator, with advice of the Enterprise Zone Advisory Board may waive enforcement of any performance measures outlined in the incentive agreement if the Grantee to maintains a minimum of 80% of the employment levels at that location as described in the incentive agreement for the Abatement Period. If the Grantee falls below the 80% employment level the Zone Administrator, with advice of the Enterprise Zone Advisory Board and after the notice required below, may waive enforcement of any performance measures outlined in the incentive agreement 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. Before any such waiver, the Zone Administrator must give at least thirty (30) days written notice to the taxing bodies where the Grantee's project is located. The Zone Administrator may proceed with the proposed waiver so long as none of the taxing bodies send notice back objecting to the waiver. The top administrative official of each taxing body is empowered to determine whether an objection should be made on behalf of his or her taxing body and are authorized to provide notice of any objections.
- E. The Zone Administrator shall be responsible for enforcing all executed incentive agreements and taking actions to enforce and/or terminate said incentive agreements for default, upon the advice and consent of the Enterprise Zone Advisory Board.

Section 10. LIMITS ON TAX OBJECTIONS. Grantee may not file a tax objection or protest to reduce the amount of property taxes incurred on the project property receiving an abatement under this IGA during the Abatement Period. If any such objection or protest is filed, then the abatement will immediately terminate and the abatement and/or grant claw back procedures under Section 9 will apply.

Section 11. TERM. This IGA, as amended, becomes effective on the date of its execution by all Designating Units of Government and upon approval and certification by the Illinois Department of Commerce and Economic Opportunity, according to law. This IGA, as amended, will remain in effect until the termination or decertification of the Zone.

The parties are signing this agreement as of the date set forth in the Introductory clause.

County of Ford

By: Debbie Smith
County Board Chairman

ATTEST:

By: [Signature]
County Clerk

City of Bloomington

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Town of Normal

By: _____
Town President

ATTEST:

By: _____
Town Clerk

County of McLean

By: _____
County Board Chairman

ATTEST:

By: _____
County Clerk

City of Gibson City

By: _____
Mayor

ATTEST:

By: _____
City Clerk

**EXHIBIT A
ZONE PROPERTY**

DRAFT