



AGENDA
DEKALB PARK DISTRICT BOARD OF COMMISSIONERS

Hopkins Community Center 2nd Floor, Administrative Offices
1403 Sycamore Road
Tuesday, February 25, 2020

5:00 pm Special Meeting

- I. Meeting Called to Order, Roll Call
- II. Action on the Agenda
- III. Public Comment
- IV. Action on Resolution 20-04: Approving Participation in and Modification to the Enterprise Zone
- V. Adjourn Public Meeting

Date of Notice: February 21, 2020
Date of Next Regular Board Meeting: March 4, 2020
Assistive services will be provided upon request



Board of Commissioners Meeting

**Agenda Item IV
February 25, 2020**

SUBJECT: Action on Resolution 20-04: Approving Participation in and Modification to the Enterprise Zone

SUBMITTING DEPARTMENT: Administration

BACKGROUND INFORMATION:

DeKalb City Manager, Bill Nicklas, attended the board meeting on February 20 to discuss this resolution and the associated potential project.

RECOMMENDED ACTION: Approve Resolution 20-04: Approving Participation in and Modification to the Enterprise Zone

	1	2	Y	N
President Phil Young				
Commissioner Dag Grada				
Commissioner Dean Holliday				

	1	2	Y	N
Commissioner Gail A. Krmenech				
Commissioner Doug Eaton				

RESOLUTION NUMBER 20-04

**RESOLUTION APPROVING PARTICIPATION IN AND
MODIFICATIONS TO THE ENTERPRISE ZONE
- DEKALB PARK DISTRICT -**

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 been granted an 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, the Enterprise Zone designation has been certified by the Department to be in effect from January 1, 2016, through December 31, 2030, 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 operate an Enterprise Zone for the long term benefit and economic viability of the area; and,

WHEREAS, the name of the Enterprise Zone is 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 to abate real property taxes pursuant to requirements in 35 ILS 200/18-170; and

WHEREAS, certain boundaries of the **DEKALB PARK DISTRICT** taxing district lie or will lie in an area within an Enterprise Zone as outlined in the attached “ADDENDUM A”, as certified 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, the DeKalb County Enterprise Zone Advisory Board recognizes a need to adapt local incentives to meet the needs of existing employers and targeted investors and industry sectors in the region; and,

WHEREAS, the County Board of DeKalb County, the Town Council of Cortland, the City Council of DeKalb, the City Council of Genoa, the City Council of Sandwich, the City Council of Sycamore and the Village Board of Waterman, also referred to as the Designating Units of Government, have determined and concur that it is desirable and necessary for the DeKalb County Enterprise Zone, hereafter referred to as “the Zone”, to amend the qualifying criteria for property tax abatement within the boundaries of the Zone to meet these needs and improve the competitiveness of the region; and,

WHEREAS, all local participating taxing bodies will be requested to make similar amendments to their respective property tax abatement policies; and,

WHEREAS, the **DEKALB PARK DISTRICT** wishes to participate in the DeKalb County Enterprise Zone real property tax abatement program beginning on or after November 1, 2019, as certified by the Department in accordance with the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE DEKALB PARK DISTRICT BOARD OF COMMISSIONERS:

That **DEKALB PARK DISTRICT** 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:

RECITALS

The above recitals are incorporated herein by reference and made a part hereof.

Section 1 – TERM. The term of the Zone abatement program participation is for a period commencing on November 1, 2019 and ending at midnight on December 31, 2030 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 later. After the December 31, 2028, the Zone is subject to review by the state Enterprise Zone Board for an additional ten (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, 2031.

Section 2 – PROPERTY TAX ABATEMENT. That, with the adoption of this Resolution and commencing on or after passage of this Resolution, taxes on real property levied by the **DEKALB PARK DISTRICT** shall be abated on property located within the boundary of the DeKalb County 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, Subsections B and C 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. “Knowledge-based

Companies” include companies that construct and/or operate Data Centers or similar operations involving the storage and distribution of data and related technology applications where data and electronic information is housed, distributed and/or manipulated to foster technology sector innovation, growth and development or other emerging technologies. 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.
- 6) “Northern Illinois University (NIU) Research Park Projects” as defined herein, are research and development projects located within the defined boundaries of the **NIU Research Park Area** which support research, investment, and educational goals of NIU and include data centers, research and development facilities, business and innovation incubators, and emerging technologies focused on knowledge-based industries, logistics-based industries and Industrial companies. Private contributions to these research and development projects which result in new or increased assessed valuation qualify for abatements.
- 7) “High Impact ICM Manufacturing and Distribution Projects” are defined as projects locating within the Interstate Competition Market (ICM) Area which involve the manufacturing and distribution of products with significant investment and job thresholds. Projects requesting DeKalb County Enterprise Zone property tax abatement under this definition must invest a minimum of \$100 million resulting in the construction of at least 900,000 square feet of new building space and create a minimum of 400 new full-time jobs.

8) “High Impact ICM Knowledge-Based Companies” are defined as Knowledge-Based Companies that undertake projects within the Interstate Competition Market (ICM) Area that are capital and tax revenue intensive and result in high quality technology jobs. Companies requesting DeKalb County Enterprise Zone property tax abatement for projects under this definition must invest a minimum of \$800 million resulting in the construction of at least 900,000 square feet of new building space and create a minimum of 50 new full-time jobs located on the property where project is located. Except as specifically set forth in this Ordinance, the provisions, conditions, and requirements applicable to Knowledge-Based Companies do not apply to High Impact ICM Knowledge-Based Companies, which are subject to the separate provisions, conditions, and requirements that specifically apply to High Impact ICM Knowledge-Based Companies set forth in Sections “2.C.6”, “2.F.5”, “2.I”, and “2.M” of this Resolution.

B) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in the **NIU Research Park Area** according to the following terms and conditions.

- 1) NIU Research Park Projects 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. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said construction or to said addition.
- 2) The abatements outlined in Section “2.B.1.” will be effective after the said build-out, rehabilitation, expansion, renovation 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.A.1.” below.

- C) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in the **Interstate Competition Market area** according to the following terms and conditions.
- 1) Logistic(s) 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 an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. 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 15,000 square feet for new building construction or must add at least 7,500 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. 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. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.
 - 4) The abatements outlined in Section “2.C.1.” through Section “2.C.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. M.” below.
 - 5) High Impact ICM Manufacturing and Distribution Companies shall construct a minimum of 900,000 square feet of new building space and must also invest at least a minimum of \$100 million.

Abatement shall only apply to the increased assessed valuation attributable to said new construction.

- 6) High Impact ICM Knowledge-Based Companies shall construct a minimum of 900,000 square feet of new building space and must also invest at least a minimum of \$800 million. Abatement shall only apply to the increased assessed valuation attributable to said new construction.
- 7) The abatements outlined in Section “2.F.4.” through Section “2.F.5.” will be effective after new improvements, or phases of new improvements, have been constructed in whole or in part and the property upon which such improvements have been constructed has been reassessed to reflect the value of those improvements. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section “2.M.” below.

D) 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** according to the following terms and conditions.

- 1) Logistic(s) 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. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. 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. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. 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. Construction or redesign of

existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. 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.D.1.” through Section “2.D.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. M.” below.

E) Terms of Abatement – NIU Research Park Area.

- 1) NIU Research Park Companies. The duration for tax abatement, as described in Section “2.B.1.” above, shall be for 10 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:	90%
3)	For taxes levied in the third year of abatement:	80%
4)	For taxes levied in the fourth year of abatement:	70%
5)	For taxes levied in the fifth year of abatement:	60%
6)	For taxes levied in the sixth year of abatement:	40%
7)	For taxes levied in the seventh year of abatement:	30%
8)	For taxes levied in the eighth year of abatement:	20%
9)	For taxes levied in the ninth year of abatement:	10%
10)	For taxes levied in the tenth year of abatement:	5%

F) Terms of Abatement – Interstate Competition Market Area.

- 1) Logistic(s) Companies. The duration for tax abatement, as described in Section “2.C.1.” above, shall be for 9 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: 50%
- 4) For taxes levied in the fourth year of abatement: 50%
- 5) For taxes levied in the fifth year of abatement: 50%
- 6) For taxes levied in the sixth year of abatement: 40%
- 7) For taxes levied in the seventh year of abatement: 30%
- 8) For taxes levied in the eighth year of abatement: 20%
- 9) For taxes levied in the ninth year of abatement: 10%
- 10) For taxes levied in the tenth year of abatement: 0%

2) Industrial Companies. The duration for tax abatement, as described in Section "2.C.2." above, shall be for 9 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%
- 6) For taxes levied in the sixth year of abatement: 40%
- 7) For taxes levied in the seventh year of abatement: 30%
- 8) For taxes levied in the eighth year of abatement: 20%
- 9) For taxes levied in the ninth year of abatement: 10%
- 10) For taxes levied in the tenth year of abatement: 0%

3) Knowledge-based Companies. The duration for tax abatement, as described in Section "2.C.3." above, shall be for 10 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: 90%
- 3) For taxes levied in the third year of abatement: 80%
- 4) For taxes levied in the fourth year of abatement: 70%
- 5) For taxes levied in the fifth year of abatement: 60%
- 6) For taxes levied in the sixth year of abatement: 40%
- 7) For taxes levied in the seventh year of abatement: 30%

- 8) For taxes levied in the eighth year of abatement: 20%
- 9) For taxes levied in the ninth year of abatement: 10%
- 10) For taxes levied in the tenth year of abatement: 5%

4) High Impact ICM Manufacturing and Distribution Companies. The duration for tax abatement, as described in Section “2.C.5.” above, shall be for 15 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 years 1 through 15 of abatement: 50%.

5) High Impact ICM Knowledge-Based Companies. The duration for tax abatement, as described in Section “2.C.6.” above, shall be for 20 years for each phase of a project (each a “Phase”, as further defined in the Memorandum of Understanding with the DeKalb County Enterprise Zone Administrator required by Section “2.M” of this Ordinance) or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner (provided, however, that: (a) if the Enterprise Zone Board (created pursuant to Section 5.2.1 of the Enterprise Zone Act, 20 ILCS 655/5.2.1) extends the initial term of the DeKalb County Enterprise Zone by granting an additional 10-year designation pursuant to Section 5.3(c) of the Enterprise Zone Act, 20 ILCS 655/5.3(c), any 20-year tax abatement for a High Impact ICM Knowledge-Based Company that has not expired for any Phase shall remain in full force and effect until the sooner to occur of: (i) the expiration of the term of the 20-year tax abatement for that Phase; or (ii) the expiration of the term of the additional 10-year designation; and (b) if the term of the DeKalb County Enterprise Zone (whether or not the initial term is extended by the Enterprise Zone Board pursuant to Section 5.3(c) of the Enterprise Zone Act, 20 ILCS 655/5.3(c)) expires or terminates before the expiration of any 20-year tax abatement for a High Impact ICM Knowledge-Based Company for any Phase, and the City of DeKalb designates, alone or with other designating units of government, a new enterprise zone (the “New Zone”) pursuant to the Enterprise Zone

Act that includes the land on which any Phase is located, the City of DeKalb will use all reasonable, good faith efforts to: (i) encourage the designating ordinance of the New Zone to authorize an abatement for each Phase for a term equal to the number of years remaining in the term of the 20-year abatement for each respective Phase and in an annual percentage amount equal to the annual percentage amount of the 20-year abatement (the “True Up Abatement”); (ii) adopt an order granting, and take all other actions legally required to grant, the True Up Abatement with respect to each Phase; and (iii) encourage other taxing districts with jurisdiction over the property on which each Phase is located to honor the True Up Abatement with respect to each Phase) according to the following schedule:

- 1) For taxes levied in years 1 through 20 of abatement applicable to each phase of the project: 55%.

G) Terms of Abatement – Areas Outside of the Interstate Competition Market Area.

1) Industrial, Logistic(s) and Knowledge-based Companies. The duration for tax abatement, for projects described in Section “2.D.1.” through Section “2.D.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%

H) Job Creation – NIU Research Park Area

New or expanded projects in the NIU Research Park Area must create one job for every 350 square feet of office space created in conformance with Section “2.B.1.” above.

Said NIU Research Park projects 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.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an NIU Research Park development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

I) Job Creation. - Interstate Competition Market Area

New Industrial or Logistic(s) Companies in the Interstate Competition Market Area must create a minimum of 20 full-time, permanent jobs. Industrial or Logistic(s) Companies in the Interstate Competition Market Area that are adding to the size of an existing building, as referenced in Section "2.C.1." and "2.C.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 the Interstate Competition Market Area must create one job for every 350 square feet of office space created in conformance with Sections "2.C.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.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an Industrial, Logistics or Knowledge-based development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

New High Impact ICM Manufacturing and Distribution Companies in the Interstate Competition Market Area must create a minimum of 400 full-time, permanent jobs.

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.

New High Impact ICM Knowledge-Based Companies in the Interstate Competition Market Area must create a minimum of 50 full-time, permanent jobs located on the property where the project is located.

The aforementioned employment thresholds shall be achieved within two years after the issuance of a certificate of occupancy by the City of DeKalb for the first phase of the project - and said thresholds must be maintained over the life of the abatement and shall be further defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

J) Job Creation. - Outside of the Interstate Competition Market Area

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.D.1." and "2.D.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 350 square feet of office space created in conformance with Sections "2.D.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.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an Industrial, Logistics or Knowledge-based development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

K) Wage Rates: Industrial or Logistic(s) Companies must pay an average wage, at the subject property, equal to 140% of the State of Illinois minimum wage

requirement in effect on January 1 of each calendar year. Starting wages shall not be less than 120% of the State of Illinois minimum wage in effect on January 1 of each calendar year. Wages may not fall below these thresholds for the life of the Enterprise Zone abatement period.

Knowledge-based Companies must pay an average wage, at the subject property, equal to 160% of the State of Illinois minimum wage requirement in effect on January 1 of each calendar year. Starting wages shall not be less than 120% of the State of Illinois minimum wage in effect on January 1 of each calendar year. Wages may not fall below these thresholds for the life of the Enterprise Zone abatement period.

NIU Research Park Companies/projects have no wage rate requirements other than those mandated by the state of Illinois.

- L) 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.
- M) Entities meeting qualification criteria outlined in Sections “2.B.” through “2.D.” as well as Sections “2.H.” through “2. J.” 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 as well as eligible High Impact ICM Manufacturing and Distribution and High Impact ICM 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, Knowledge-based and NIU Research Park and High Impact ICM Manufacturing and Distribution and High Impact ICM 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 95% 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 resolution, all incentives general abatements and benefits previously offered and in effect within the boundaries of the **DEKALB PARK DISTRICT** 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 **DEKALB PARK DISTRICT** on the effective date of this resolution;

- b. Business enterprises or expansions which are proposed or under development on the effective date of this designating ordinance, 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 Section 4.a. and 4.b. above.

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 Commissioners of the **DEKALB PARK DISTRICT** 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 approval of the formal Application to Expand, Limit or Repeal Incentives by the Illinois Department of Commerce and Economic Opportunity, according to law. Failure to receive approval by the Department will render this Resolution null and void.

PRESENTED, PASSED, APPROVED AND RECORDED this ____ day of _____, 2020.

BY: _____

Phil Young, President

Attest: _____

Gail A. Krmenech, Secretary