

**VILLAGE OF DOLTON
COOK COUNTY, ILLINOIS**

CALUMET ENTERPRISE ZONE

ORDINANCE NUMBER 15-050

AN ORDINANCE TO AMEND THE CURRENT EXISTING CALUMET ENTERPRISE ZONE BY ALTERING ITS BOUNDARIES, INCLUDING ADDITIONAL UNITS OF LOCAL GOVERNMENT, AND ESTABLISHING A NEW SUCCESSOR ENTERPRISE ZONE

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

WHEREAS, The City of Calumet City, The Village of Dolton, The Village of Lansing, The Village of Riverdale, The Village of South Holland, The Village of Thornton (collectively the "Municipalities") and the County of Cook are organized and existing under the laws of the State of Illinois each have areas within their respective legal boundaries that are economically distressed and would benefit from private sector investments under the Enterprise Zone Act; and

WHEREAS, it is determined that it is in the best interest of the citizens of the County 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 County and Municipalities adopt an Ordinance designating the proposed Enterprise Zone; and

WHEREAS, the Calumet Enterprise Zone currently exists by virtue of certification by the State of Illinois, under the Illinois Enterprise Act and is scheduled to expire on December 31, 2017; and

WHEREAS, the current existing Calumet Enterprise Zone involved, prior to the herein amendment, the City of Calumet City, The Village of Dolton and The Village of Riverdale as its designating municipalities; and

WHEREAS, all of the aforesaid Municipalities and County have joined in the collective pursuit to amend the current existing Calumet Enterprise Zone by the addition of certain areas, the inclusion of the aforesaid Municipalities and County as designating units of local government and establish a new successor Enterprise Zone. These efforts are subject to the respective approvals of the governing bodies of the aforesaid Municipalities and County.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Trustees of the Village of Dolton, Cook County, Illinois, 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: AMENDEMENT TO THE EXISTING ENTERPRISE ZONE DESIGNATION

The existing Calumet Enterprise Zone is hereby amended to include The Village of Lansing, The Village of South Holland, The Village of Thornton, and The County of Cook as additional designated units of local government of said Enterprise Zone. The area of this enterprise zone is also hereby altered to consist of the area described in the map **EXHIBIT A** and the legal description **EXHIBIT B**, attached hereto. This area of the amended zone is within the 15 square mile limit required for enterprise zones that include more than 4 jurisdictions per the Illinois Enterprise Zone Act (20 ILCS 655/4). **EXHIBITS A** and **B** are incorporated herein by reference and become part of this Section as if fully stated herein. These amendments shall not be effective until and unless the Illinois Department of Commerce and Economic Opportunity upon application approves the amended designating Ordinance, issues an amended certification for the existing Calumet Enterprise Zone, records a certified copy of the amended Ordinance with Cook County Recorder of Deeds and files the same with the Illinois Secretary of State.

SECTION 3: ENTERPRISE ZONE DESIGNATION

For the purposes of a successor Enterprise Zone to the existing Calumet Enterprise Zone, an Enterprise Zone is hereby declared and established as an Enterprise Zone 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 **Calumet Enterprise Zone**.

SECTION 4: TERM

The term of the proposed successor 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 5: DESCRIPTION OF ZONE.

The area of the proposed designated successor Enterprise Zone is outlined in the map provided as **EXHIBIT A** and its boundaries are set down in the legal description in **EXHIBIT B**, these **EXHIBITS** are attached to this Ordinance and incorporated herein by reference.

SECTION 6: QUALIFICATIONS.

The County and the Municipalities hereby declare and affirm that the successor Enterprise Zone's Area is qualified for designation as an Enterprise Zone in accordance with the provisions of the Act, and it is **FOUND:**

- a. The Zone Area is a contiguous area;
- 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 Act (20ILCS 655/4 (f));
- f. On the **28th** day of **October, 2015**, 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;
- 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 **EXHIBIT C**, attached hereto, and incorporated herein by reference.

SECTION 7: 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 Administrators, may provide a variety of local incentives to further encourage economic growth and investment within enterprise zones. The incentives offered are determined by Cook County and the municipalities. The following local Enterprise Zone incentives are hereby offered:

- a. 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. This benefit will not be applicable if the project investor is also the recipient of tax relief for this property under the terms of a tax increment finance (TIF) agreement or other substantial property tax abatement provided by a unit of local government.
- b. Waiver of 50% of initial building permit fees for industrial, commercial, or institutional projects.
- c. The Enterprise Zone will provide officials of the County and Municipalities 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 the 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 programs 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)). To the extent that charges by the Zone Administrator do not meet the full operating expenses of the Enterprise Zone, the Municipalities and the County, that are signatories to this agreement, will collectively meet these expenses. However, no signatory to this Agreement will be obligated to contribute more than \$5,000 per year toward these Enterprise Zone operating expenses.

SECTION 8. **ZONE ADMINISTRATOR:**

The Zone Administrator is responsible for the day-to-day operation of the Enterprise Zone including the following duties:

- (a) Supervise the implementation of the provisions of this Intergovernmental Agreement and the Illinois Enterprise Zone Act.
- (b) Act as a liaison between the Counties, Municipalities, the Illinois Department of Commerce Economic Opportunity, Designated Zone Organizations, and other State, Federal and local agencies, whether public or private.
- (c) Conduct an ongoing evaluation of the Enterprise Zone Programs and submit evaluative reports at least annually to the Council.
- (d) Promote the coordination of other relevant programs, including, but not limited to, housing, community and economic development, small business, financial assistance and employment training within the Enterprise Zone.
- (e) Recommend qualified Designated Zone Organizations to the Enterprise Zone Governing Council (the Council).
- (f) Have such other duties as specified by the Council, including the appointment of authorized personnel as appropriate, to assure the smooth operation of the Enterprise Zone.

SECTION 8: AMENDED INTERGOVERNMENTAL AGREEMENT

The existing Enterprise Zone and the successor Enterprise Zone shall be governed, managed and operated in accordance with the Amended Intergovernmental Agreement between the County and the 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 the Village of Dolton and its attorney for review. The Mayor is hereby directed to execute this Agreement, on behalf of the Village of Dolton. Further, the Mayor or his designee is directed to sign all documents reasonably necessary in the furtherance of the Joint Applications for approval of the amendments to the existing Enterprise Zone, to be filed with the Illinois Department of Commerce and Economic Opportunity.

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

The Village Clerk 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 subject to approval, certification and recording as required by law.

PRESENTED, PASSED AND APPROVED THIS 16th DAY OF NOVEMBER, 2015.

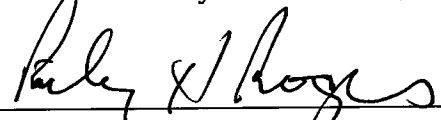
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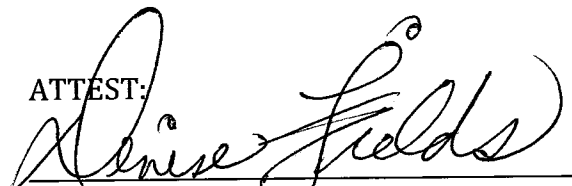
ABSENT: 1 Hunt

ABSTAIN: 0

APPROVED this 16th day of November, 2015.



RILEY H. ROGERS, Mayor

ATTEST:


DENISE FIELDS, Deputy Village Clerk