ORDINANCE NO. 16-03

AN ORDINANCE AMENDING DESIGNATED AREA AS AN ENTERPRISE ZONE AND RELATED MATTERS UNDER SECTION 5 OF THE ENTERPRISE ZONE ACT

WHEREAS, the State of Illinois passed legislation known as the Enterprise Zone Act (EZA); and

WHEREAS, pursuant to the EZA and the Intergovernmental Cooperation Act, the Village of Morton is authorized to enter into an agreement with other units of local government and make a application to add territory to Southern Tazewell Enterprise Zone, that the State of Illinois has certified as an enterprise zone; and

WHEREAS, amending Ordinance 14-27 approved by the Village on November 17, 2014, to include the updated legal description for the application for adding additional territory;

WHEREAS, the Village of Morton partnered with the City of Pekin, Village of Tremont, and the County of Tazewell to establish an enterprise zone in portions of each municipality and part of Tazewell County INTERGOVERNMENTAL AGREEMENT – IA); and

WHEREAS, the City of Pekin is wishing to expand territory within the Southern Tazewell Enterprise Zone for property located within the city limits of Pekin; and

WHEREAS, the Village of Morton makes the following findings:

1. The legal description of the property located in the City of Pekin to be added to the Enterprise Zone is set forth in Exhibit B to this Ordinance.
2. The IA attached as Exhibit A to this Ordinance complies with Section 4 of the EZA and all requirements of the EZA are met.
3. The benefits and incentives the City of Pekin offers are as follows:
    i. Tax abatement for 5 years for any increase in equalized assessed value for eligible improvements (as defined in the EZA) in the zone. The abatement applies to only commercial and industrial facilities of projects $25,000 or greater.
    ii. A one hundred percent, (100%), reduction in building permit fees for eligible improvements in the enterprise zone.
4. The term of the zone is 15 years.
5. Pursuant to notice duly published, a public hearing was held at 5:00 p.m. on Monday, January 25, 2016 at the Pekin City Hall, Pekin, Illinois.
6. The Village has complied with all requirements of EZA.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE PRESIDENT AND THE VILLAGE TRUSTEES OF THE VILLAGE OF MORTON, Tazewell County, Illinois, as follows:

1. The findings as set forth in this Ordinance are incorporated as part of the Ordinance and the Village President and Village Clerk are authorized to execute it on behalf of the Village.

BE IT FURTHER ORDAINED that this ordinance shall be in full force and effect upon its passage, approval, and publication as may be required by law.

PASSED AND APPROVED at a regular meeting of the Village President and Village Trustees of the Village of Morton this 1st day of August, 2016; and upon roll call the vote was as follows:

AYES: Belsley, Blunier, Daab, Heer, Kaufman
NAYS: None
ABSENT: Hermann
ABSTAINING: None

Village President

ATTEST:
Village Clerk

MORTON, TAZEWELL COUNTY
VILLAGE SEAL
ILLINOIS

EXHIBIT "A"

INTERGOVERNMENTAL AGREEMENT REGARDING AN ENTERPRISE ZONE LOCATED IN SOUTHERN TAZEWELL COUNTY

AMENDMENT: ADDING TERRITORY

THIS AGREEMENT made on or as of the 1st day of August, 2016, by and between the County of Tazewell ("Tazewell"), the Village of Morton, an Illinois municipal corporation, ("Morton"), the City of Pekin, an Illinois municipal corporation, ("Pekin"), and the Village of Tremont, an Illinois municipal corporation, ("Tremont).

RECITALS

A. This agreement is authorized by the Intergovernmental Cooperation Act found at 5 ILCS 220/1 et. seq. and by Article 7, Section 10, of the Constitution of the State of Illinois.

B. The Illinois Enterprise Zone Act found at 20 ILCS 655/1, et. seq., including all regulations or administrative procedures promulgated under authority of such act (collectively the "Enterprise Zone Act") authorizes the designation and certification of enterprise zones which provide various incentives, some of which are locally determined, to encourage the creation and expansion of business enterprises.

C. Tazewell jointly with the City of Pekin designated an enterprise zone which was certified by DCEO on June 1, 1986.

D. Morton designated an enterprise zone which was certified by the Illinois Department of Commerce and Economic Opportunity or its predecessor agency ("DCEO") on July 1, 1986.

E. The enterprise zones designated by Morton, Pekin, Tremont and Tazewell will expire on July 1, 2016.

F. Tremont has not heretofore designated an enterprise zone.

G. Tazewell County, Morton, Pekin, and Tremont (sometimes hereinafter collectively referred to as the "Participants" or individually as a "Participant") plan to submit a joint application to DCEO for the certification of a new enterprise zone (the "Enterprise Zone") located within or near the corporate limits of the Participants.

H. As required by the Enterprise Zone Act for a joint application and in order to establish procedures related to the creation, operation or modification of the Enterprise Zone, it is in the best interests of the Participants to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and in consideration of the mutual covenants and agreements hereinafter set forth, the Participants agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the meaning set forth opposite each of them unless the use or context clearly indicates that another meaning is intended.

"Administrative Board" means a board consisting of one representative of each participant selected and exercising authority as provided by paragraph 3.1 of this Agreement.

"Agreement" or "this Agreement" means this intergovernmental agreement among the Participants as from time to time amended.

"Application" means the application to DCEO for certification of the Enterprise Zone.

"Consultant" means Economic Development Resources, L.L.C., 200 South Hanley Road, Suite 601, St. Louis, MO 63105.

"DCEO" shall have the meaning set forth in the preambles to this Agreement.

"Designating Ordinance" means an ordinance approved by each of the Participants which designates the Enterprise Zone.

"Morton" shall have the meaning set forth in the preambles to this Agreement.

"Morton" means that portion of the Enterprise Zone located within the corporate limits of Morton.

"Eligible Improvement" means newly constructed improvements to real estate within the Enterprise Zone intended to accommodate new or expanded commercial or industrial operations as determined by the Zone Administrator.

"Enterprise Zone" shall mean the territory located within the corporate limits of the Participants or in unincorporated Tazewell County more particularly described at "Exhibit A" attached hereto and shown on the map attached hereto at "Exhibit B".

"Enterprise Zone Act" shall have the meaning set forth in the preambles to this Agreement.

"Enterprise Zone Board" means the Enterprise Zone Board created by paragraph 5.2.1 of the Enterprise Zone Act for the purpose of approving or denying applications for enterprise zones.

"Pekin" shall have the meaning set forth in the preambles to this Agreement.

"Pekin Component" means that portion of the Enterprise Zone located in the corporate limits of Pekin.

"Local Labor Market Area" means an economically integrated area as defined by the Enterprise Zone Act within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence.

"Owner" means any person or entity constructing improvements to real estate within the Enterprise Zone to accommodate a new or expanded commercial or industrial enterprise.

"Participant" or the "Participants" shall have the meaning set forth in the preambles to this Agreement.

"Taxing District" means a unit of local government having the power to levy real estate taxes against real property located within the Enterprise Zone.

"Tazewell" shall have the meaning set forth in the preambles to this Agreement.

"Tazewell Component" means that portion of the Enterprise Zone located within Tazewell, but outside of the corporate limits of Morton, Pekin and Tremont.

"TIF Act" is the Tax Increment Allocation Redevelopment Act found at 65 ILCS 5/11-74.4-1, et. seq.

"TIF District" means any "redevelopment project area" as defined in the TIF Act and designated by any Participant under authority of the TIF Act.

"Tremont" shall have the meaning set forth in the preambles to this Agreement.

"Tremont" means that portion of the Enterprise Zone located within the corporate limits of Tremont.

"Zone Administrator" means the person charged with the general administration of the Enterprise Zone as provided at section 3.2 of this Agreement.

ARTICLE II

APPLICATION FOR DESIGNATION OF THE ENTERPRISE ZONE

2.1 Preparation of Application. The Participants shall work cooperatively to prepare an Application for the Enterprise Zone in accordance with the procedures established by the Enterprise Zone Act. The Participants have engaged the Consultant to assist the Participants in the preparation of the Application.

2.2 Identification of Local Labor Market Area. The Participants and the Consultant shall work cooperatively to identify a Local Labor Market Area which meets the requirements imposed by the Enterprise Zone Act. The Participants shall promptly provide information deemed necessary by the Consultant in order to complete a competitive application.

2.3 Term of the Enterprise Zone. The term of the Enterprise Zone shall be 15 years commencing on January 1, 2016. After the thirteenth anniversary of the certification of the Enterprise Zone, the Participants may seek a review of the Enterprise Zone by the Enterprise Zone Board for an additional ten year designation to begin on the expiration date of the original 15 year term. The Participants, the Administrative Board and the Zone Administrator shall all cooperate to provide information necessary for the Enterprise Zone Board to determine whether or not it shall approve a ten year extension of the Enterprise Zone.

2.4 Consultant's Fees. The Participants paid for substantially all of the fees and expenses charged by the Consultant prior to the date of this Agreement. The Participants shall equitably share in the payment of the remainder of the fees and expenses charged by the Consultant for services rendered in conjunction with the preparation of the Application.

2.5 Designation of the Enterprise Zone. The governing body of each Participant has passed and approved a Designating Ordinance meeting all requirements imposed by Section 5 of the Enterprise Zone Act. The Designating Ordinance also approves this Agreement.

ARTICLE III

ADMINISTRATION OF THE ENTERPRISE ZONE

3.1 Administrative Board. The Participants hereby establish an Administrative Board consisting of four members, one of which shall be selected by each Participant. The Administrative Board shall have the following authority and responsibilities:

A. Selection of the Zone Administrator as provided at paragraph 3.2 of this Agreement;

B. Supervision of the performance of the Zone Administrator with respect to the duties of the Zone Administrator as assigned under the terms of this Agreement. The Administrative Board shall have no authority to supervise the performance of other duties unrelated to the administration of the Enterprise Zone which may be performed by the Zone Administrator in his or her capacity as an officer or employee of any Participant;

C. If deemed necessary by the Administrative Board in its sole discretion, the Administrative Board may suspend the Zone Administrator from the performance of duties under the terms of this Agreement or terminate the authority of the Zone Administrator to act under the terms of this Agreement;

D. Any person aggrieved by a decision of the Zone Administrator may within a reasonable time appeal that decision in writing to the Administrative Board. The Administrative Board has the authority to reverse, revise or affirm decisions of the Zone Administrator; and

E. To engage in such other activities as may be necessary to insure the proper administration of the Enterprise Zone.

The Administrative Board shall operate in accordance with the requirements of the Open Meetings Act (5 ILCS 120/1 et. seq.). Decisions by the Administrative Board shall require the concurrence of three of the four members of such board.

3.2 Zone Administrator. The Administrative Board established as provided Section 3.1 of this Agreement shall select a Zone Administrator for the Enterprise Zone. The Zone Administrator must be an officer or employee of one of the Participants. The Zone Administrator shall be the liaison between the Participants, DCEO and any Designated Zone Organization established within the Enterprise Zone. The Zone Administrator shall perform those duties assigned to the administrator under the terms and conditions of the Enterprise Zone Act including those assigned at 20 ILCS 655/8 and 8.2 and at 14 ILADC 520.400. Those duties are included among the following duties hereby assigned to the Zone Administrator:

A. Post a copy of the boundaries of the Enterprise Zone on official internet websites of the Participants;

B. Provide an electronic copy of the boundaries of the Enterprise Zone to DCEO;

C. Collect and aggregate information regarding the estimated cost of each commercial or industrial building project undertaken within the Enterprise Zone broken down into labor and materials;

D. Within 60 days after the completion of any commercial or industrial building project undertaken within the Enterprise Zone, determine the cost of the building project broken down into labor and materials;

E. By April 1 of each year file a copy of the fee schedule established under the terms of this Agreement with DCEO; and

F. To the extent required by the Enterprise Zone Act or any other applicable authority, submit any documentation necessary to qualify an Owner to receive sales tax or other incentives available from the State of Illinois.

G. Such other duties as may from time to time be assigned by the Administrative Board.

The Participants anticipate that the person employed by Tazewell as its economic development coordinator will be selected by the Administrative Board as Zone Administrator. Upon certification of the Enterprise Zone by DCEO, the Participants acting through the Administrative Board shall determine the manner in which the cost of services provided by the Zone Administrator shall be apportioned among the Participants.

3.3 Designated Zone Organizations. Each Participant may in its discretion create a Designated Zone Organization to assist in the administration of that component of the Enterprise Zone under the jurisdiction of the Participant. Two or more Participants may jointly create a Designated Zone Organization to assist in the administration of those components of the Enterprise Zone under the jurisdiction of the creating Participants. Substantially all of the members of any Designed Zone Organization shall be residents of the Enterprise Zone. The Board of Directors of a Designated Zone Organization shall be elected by members of the organization. Any Designated Zone Organization shall satisfy the criteria set forth at Section 501(c)(3) or Section 501(c)(4) of the Internal Revenue Code. A Designated Zone Organization shall exist primarily for the purpose of performing within all or any portion of the Enterprise Zone the various functions set forth at Section 8 of the Enterprise Zone Act. However, no Designated Zone Organization shall have authority to perform any function identified at Section 8 of the Enterprise Zone Act unless a Participant has by ordinance delegated such authority to the Designated Zone Organization to be exercised within the Participant's component of the Enterprise Zone.

3.4 Enterprise Zone Fees. No Owner shall be eligible to receive the incentives available for an Eligible Improvement unless the Owner first pays a fee to the Participant having jurisdiction over the location of the Eligible Improvement in the amount of .5% of the cost of building materials incorporated into an Eligible Improvement with a maximum fee of $50,000.

ARTICLE IV

INCENTIVES OFFERED IN ENTERPRISE ZONE

4.1 Abatement of Real Estate Taxes on Eligible Improvements. The Owner of an Eligible Improvement may upon payment of the fee provided by paragraph 3.4 of this Agreement receive an abatement of real estate taxes levied by Taxing Districts which have approved an abatement of such taxes against Eligible Improvements subject to the following conditions:

A. The abatement shall apply only to the real estate taxes corresponding to an increase in equalized assessed valuation after an Eligible Improvement has been duly assessed. The abatement shall not exceed the amount of such taxes attributable solely to the Eligible Improvement.

B. The abatement shall apply only to Eligible Improvements commenced within the Enterprise Zone after designation of the Enterprise Zone by the Participants and certification of the Enterprise Zone by DCEO after approval of the Enterprise Zone by the Enterprise Zone Board.

C. The abatement for an Eligible Improvement shall be in effect only for a period of five years commencing with the first year after the Eligible Improvement has been assessed.

D. While the abatement is in effect with respect to an Eligible Improvement, each Taxing District shall each year continue to receive all real estate taxes corresponding to the equalized assessed valuation of the parcel upon which the Eligible Improvement is located and all structures or parts of structures on the parcel other than the Eligible Improvement.

E. An abatement of real estate taxes authorized by the Taxing Districts shall not take effect after the expiration of the Enterprise Zone, but any abatement which commences prior to expiration of the Enterprise Zone shall continue for five years even if the Enterprise Zone expires during that five year period.

F. The abatement of real estate taxes authorized by Taxing Districts shall also apply within territory lawfully added to the Enterprise Zone subsequent to its initial certification by DCEO and shall also apply during any lawfully authorized extension of the term of the Enterprise Zone.

G. The abatement of real estate taxes authorized by the Taxing Districts shall apply only to commercial and industrial facilities and shall not apply to single family residences or to multiple family residential facilities.

4.2 Abatement Resolutions from Taxing Districts. Each Participant shall be responsible for securing resolutions from each Taxing District having territory located within that Participant's component of the Enterprise Zone authorizing an abatement of real estate taxes on Eligible Improvements under the terms and conditions set forth in paragraph 4.1 of this Agreement.

4.3 Abatements Inapplicable to TIF Districts. Anything in this Agreement to the contrary notwithstanding, no real estate tax abatement shall be available to any Eligible Improvement located within the boundaries of any TIF district designated by a Participant.

4.4 Issuance of Certificate of Eligibility. Each Participant shall have exclusive jurisdiction to determine whether or not an improvement within its component of the Enterprise Zone constitutes an Eligible Improvement which will receive the incentives available under the terms of this Agreement. Upon a determination by a Participant that improvements to real estate within the Enterprise Zone constitute an Eligible Improvement which will receive an abatement of real estate taxes to the extent approved by the Taxing District, an authorized representative of the Participant (which may in the discretion of each Participant be the Zone Administrator) shall issue a certificate of eligibility to the Owner of the Eligible Improvement. It shall be the responsibility of the Owner to file the certificate of eligibility with the County Clerk of the County in which the Eligible Improvement is located and to verify the application of the abatement.

4.5 Reduced Fees for Building Permits. Upon the submission of an application for a building permit for a project deemed by the Participant to qualify as an Eligible Improvement, fees for building permits required prior to construction of the Eligible Improvement shall be reduced by 50% in Morton and by 100% in Tremont, Pekin and Tazewell County.

4.6 Availability of State Incentives. Nothing in this Agreement shall be interpreted to preclude the availability of incentives offered by the State of Illinois under the terms of the Enterprise Zone Act or any other authority.

ARTICLE V

EXPANSION OF BOUNDARIES AND OTHER AMENDMENTS

5.1 Area of Participant Components. The Participants stipulate that the area of each of their individual components of the Enterprise Zone is as follows:

			Acreage
Pekin Component	3.59	square miles	2,606.7
Morton Component	4.53	square miles	2,845.4
Tremont Component	0.19	square miles	130.6
Tazewell County Component	6.17	square miles	3,646.1
Total	14.48	square miles	9,228.8

Because the Enterprise Zone is located within the jurisdiction of four or more counties or municipalities, it appears that the maximum area of the Enterprise Zone is 15 square miles. Because the area of the Enterprise Zone as currently described has a total area of 14.48 square miles, the Enterprise Zone may be eligible pursuant to Section 5.4 of the Enterprise Zone Act for an amendment to expand the boundaries of the Enterprise Zone.

Except as hereinafter provided, no Participant may seek additions to its component of the Enterprise Zone which in the aggregate exceed that allocation. In the event any Participant desires to seek one or more expansions of that portion of the Enterprise Zone within its jurisdiction with an area which in the aggregate exceeds the aforementioned allocation, one or

more other Participants may allocate all or any portion of their unutilized allocation to other Participants. In no event shall the area of the Enterprise Zone exceed 15 square miles.

5.2 Procedure For Expansion of Boundaries. Any Participant may in its discretion and without the consent of any other Participant apply to DCEO to expand the boundaries of that portion of the Enterprise Zone located within the corporate limits of the Participant subject to the limitations in the area of such expansion imposed by paragraph 5.1 of this Agreement. Any Participant seeking expansion of the Enterprise Zone within its jurisdiction shall pay all costs associated with the application and any approved expansion.

5.3 Other Amendments. Any amendment of the Enterprise Zone other than an expansion of the boundaries as authorized by paragraphs 5.1 and 5.2 of this Agreement and any amendment of this Agreement shall require the unanimous consent of all Participants.

ARTICLE VI

GENERAL PROVISIONS

6.1 Breach and Opportunity to Cure. Before any failure of any Participant to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Participant or Participants claiming such failure to perform shall notify in writing the Participant alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance is completed to the reasonable satisfaction of the complaining Participant or Participants within thirty (30) days after receipt of such notice, or in the case of a failure which by its nature takes in excess of thirty (30) days to cure, such longer period of time as may be reasonably necessary to cure the same provided that the curing Participant is pursuing said cure with due diligence.

6.2 Amendment. This Agreement and any exhibits attached hereto may be amended only by the mutual consent of all Participants by the adoption of appropriate ordinances by the governing bodies of the Participants approving said amendment as provided by law and by the execution of said amendment by the Participants.

6.3 No Other Agreements. Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and fully integrates the agreement of the Participants.

6.4 Consent. Except as otherwise provided herein, whenever consent or approval of any Participant is required, such consent or approval shall not be unreasonably withheld or unduly delayed.

6.5 Paragraph Headings. Paragraph headings and references are for the convenience of the Participants and are not intended to limit, vary, define or expand the terms and provisions contained in this Agreement and shall not be used to interpret or construe the terms and provisions of this Agreement.

6.6 Severability. If any provision, covenant, or portion of this Agreement or its application to any person, entity or property is held invalid, such invalidity shall not affect the application or validity of any other provisions, covenants or portions of this Agreement (and to that end, any provisions, covenants, or portion of this Agreement are declared to be severable).

6.7 Applicable Law. This Agreement shall be construed in accordance with the laws and decisions of the State of Illinois.

6.8 Notices. All notices herein shall be in writing and shall be deemed to be effective as of the date of actual delivery if by personal delivery or as of the third day from and including the day of posting if mailed by certified or registered mail return receipt requested with postage prepaid:

To Tazewell:
Tazewell County Board
Attn: Chairman, County Board
4th Floor McKenzie Building, Suite 432
Pekin, IL 61554

To Morton:
Village of Morton
Attn: President
120 Main Street, P.O. Box 28
Morton, IL 61550

To Pekin:
City of Pekin
Attn: City Manager
111 S. Capitol Street
Pekin, IL 61554

To Tremont:
Village of Tremont
Attn: President
211 S. Sampson St.
PO Box 144
Tremont, IL 61568

or to such replacement parties as may from time to time be identified by written notice.

EXECUTED BY THE PARTICIPANTS ON OR AS OF THE DATE OF THIS AGREEMENT.

Village of Morton

By: _____
Village President

ATTEST:

_____
Village Clerk

MORTON, TAZEWELL COUNTY VILLAGE SEAL ILLINOIS