

**AN ORDINANCE OF THE CITY OF STREATOR  
AMENDING THE STREATOR AREA ENTERPRISE ZONE  
CITY OF STREATOR  
-ADDING ADDITIONAL DESIGNATING UNITS OF GOVERNMENT-  
-ADDING TERRITORY FOR ADDITIONAL DESIGNATING UNITS OF GOVERNMENT-  
-PROPERTY TAX ABATEMENT-**

**WHEREAS**, the City of Streator, the County of LaSalle and the County of Livingston, as Designating Units of Government for the Streator Area Enterprise Zone, entered into an Intergovernmental Agreement on the 29<sup>th</sup> day of December, 2014, and passed individual Designating Ordinances establishing the Streator Area Enterprise Zone, subject to approval by the Illinois Enterprise Zone Board (the Board) and certification by the Illinois Department of Commerce and Economic Opportunity (the Department) as outlined in the Illinois Enterprise Zone Act (20 ILCS 655/1 et. seq.), hereby referred to as “the Act”; and,

**WHEREAS**, the Streator Area Enterprise Zone was approved by the Board and Certified by the Department and said certification is in effect for 15 years beginning on January 1, 2016, subject to review by the Board after the 13th year of existence for another ten year designation beginning on the expiration date of the Zone; and,

**WHEREAS**, the Designating Units of Government agree that it is necessary for the economic well being of the region to add additional Designating Units of Government and expand the boundary of the Zone to include the area as described in Addendums “A” and “B”, to add property to the existing Streator Area Enterprise Zone and to amend the current property tax abatement incentives available for those who make qualified investments and/or create or retain jobs in the Zone; and,

**WHEREAS**, the additional proposed Designating Units of Government will include the Village of Dwight, the Village of Forrest, the City of Fairbury and the City of Pontiac and additional unincorporated areas of the County of Livingston; and,

**WHEREAS**, the Designating Units of Government find and concur that the region meets the qualifications established in Section 4 of the Act; and,

**WHEREAS**, the Designating Units of Government find that the Enterprise Zone as described in Addendums “A” and “B” is contiguous as defined in the Act; and,

**WHEREAS**, there is adequate available acreage in the Streator Area Enterprise Zone to accomplish the proposed modifications; and,

**WHEREAS**, a Public Hearing was held on September 17, 2018, on the subjects of adding new Designating Units of Government, modifying the boundary to accommodate said additions as well as add additional property within the boundaries of the City of Streator. Additionally addressed at the Public Hearing were modifications to the local property tax abatement programs in order to support targeted economic and community development activities. The notice of the Hearing was duly advertised in the Streator Times and the Pontiac Daily Leader newspapers on September 8, 2018; 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 find that the Enterprise Zone as described in Addendums "A" and "B" shall comprise no more than 15 square miles of land, exclusive of waterways and lakes, as allowed by the Act; and,

**WHEREAS**, certain parts of the Enterprise Zone lie within the boundaries of the **CITY OF STREATOR**; and,

**WHEREAS**, the City Council of the City of Streator desires to add the Village of Dwight, the Village of Forrest, the City of Fairbury, the City of Pontiac and various unincorporated areas of the County of Livingston; and,

**WHEREAS**, the City Council of the City of Streator desires to amend and clarify property tax abatement incentives in the Streator Area Enterprise Zone; and,

**WHEREAS**, the City Council of the City of Streator desires to amend the boundary of the Streator Area Enterprise Zone to accommodate the addition of the Designating Units of Government mentioned above as outlined in the attached Addendums "A" and "B", subject to the approval and certification of the requested changes by the Department in accordance with the Act;

**NOW BE IT THEREFORE ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF STREATOR, ILLINOIS, BOARD:**

#### **SECTION I – DESIGNATING UNITS OF GOVERNMENT**

Upon unanimous approval of the same and with the approval and certification by the Department, the Designating Units of Government of the Streator Area Enterprise Zone shall be the City of Streator, the County of LaSalle, the County of Livingston, the Village of Dwight, the Village of Forrest, the City of Fairbury and the City of Pontiac.

**SECTION II – PROPERTY TAX ABATEMENT.** That commencing upon the effective date of this Ordinance, taxes on real property levied by the **CITY OF STREATOR** shall be abated on property located within the boundary of the Streator Area Enterprise Zone, as certified by the Department, and upon which new improvements have been constructed as described 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) That commencing upon the effective date of this Ordinance, taxes on real property levied by the **CITY OF STREATOR** shall be abated on property located within the boundary of the Streator Area Enterprise Zone, as certified by the Department, and upon which new improvements have been constructed as described 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.
- 2) “Memorandum of Understanding” or “MOU” as defined herein is the written agreement between the Streator Area Enterprise Zone Administrator, on behalf of the Taxing Bodies participating in the Streator Area 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.
- 3) “Industrial/Manufacturing Projects” as defined herein, are enterprises where the manufacturing or assembling of goods takes place.
- 4) “Logistic(s)/Distribution Center Projects” as defined herein, are warehousing and distribution enterprises that are engaged in the storage and/or packaging of goods and the transfer or transportation of products from a point of origin to a point of consumption.
- 5) “Office Projects” 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, law and telemarketing companies.
- 6) “Retail/Commercial Companies” as described herein, are enterprises in the business of selling products or services in the following categories: Stores selling products to the general public or wholesale customers, restaurants, hotels/motels and related concerns.

7) "Special Affordable Housing Projects", as defined herein, are new housing development(s) rented or sold for 80% (eighty percent) or less of the region's median residential price, AND where the local government (municipal or county) has or is participating directly in the housing development by providing funding, land, utilities, coordinated grant assistance, fee waivers and other in-kind contributions equal to 20% (twenty percent) or more of the total project cost. This definition shall also include the rehabilitation of upper floors of existing buildings in any Central Business District (CBD) Zone into residential property at any price point, AND where the local government (municipal or county) has or is participating directly in the CBD residential conversion by providing funding, land, utilities, coordinated grant assistance, fee waivers and other in-kind contributions equal to 5% (five percent) or more of the total project cost.

B) **Exclusions** - Retail/Commercial Companies engaged in the following categories of business below shall be ineligible for any property tax abatement as provided herein:

- a) self-storage (mini warehouse facilities)
- b) automobile service station
- c) automatic or self-service coin operated car wash
- d) commodity scrap processing
- e) convenience food and beverage store
- f) gasoline station
- g) package liquor store
- h) recycling facility
- i) cash advance, pay day loan and title loan stores
- j) adult entertainment venues including adult bookstores

C) **Project Application Approval** – No project shall be granted property tax abatement until or unless a Project Application has been submitted to the Administrator of the Streator Area Enterprise Zone, to insure eligibility and qualifying criteria have been met.

Enterprise Zone Property Tax Abatement will not be granted if a project has begun construction prior to receiving approval of an Abatement request from the Administrator.

Applicants requesting Building Materials Exemption Certificates (BMEC) from the Administrator and the Illinois Department of Revenue will not receive benefits for materials purchased prior to the issuance of a BMEC by the Illinois Department of Revenue and, in jurisdictions where one is required, approval of local building permits.

D) Commencing on the effective date of this amending Ordinance and approval by the Department, taxes on real property levied by the **CITY OF STREATOR** shall be abated on property located within the Zone and upon which new improvements have been constructed according to the following schedule:

- 1) For taxes levied in the first year of abatement: 100%
- 2) For taxes levied in the second year of abatement: 50%
- 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%

E) Said abatements shall be for five (5) consecutive years beginning with the real estate taxes payable in the year following the first full year of a facility's commercial operation after which said improvements have been made. Abatement for a specific project will cease after the fifth year or upon expiration, termination or decertification of the Streator Area Enterprise Zone, whichever is sooner.

F) The above property tax abatements shall be applicable for eligible Industrial, Warehouse/Distribution/Logistic(s), Office-Based Companies, certain Retail/Commercial and Special Affordable Housing projects upon which construction, improvements, renovation or rehabilitation, for which a building permit is required, and one has been obtained, has been completed before the expiration, termination or decertification of the Streator Area Enterprise Zone, whichever is sooner. Abatement shall only apply to the incremental increase in taxes assessed as a result of the project and its related improvements.

Residential projects not falling under the definition of Special Affordable Housing projects above are not eligible for Enterprise Zone Property Tax Abatement.

G) Commencing on the effective date of this amending Ordinance and approval by the Department, taxes on real property levied by the **CITY OF STREATOR** shall be abated on property located within the Zone and upon which new improvements have been constructed which meet the following criteria:

- 1) Development occurs on parcels within 1.5 miles of the intersection of two Class One railroads; and,
- 2) There is a minimum capital investment of \$10 million and,
- 3) A minimum of 50 jobs are created and/or retained; and,
- 4) Said jobs have a wage and benefit package of at least \$40,165 per employee,

For projects meeting these criteria, taxes will be abated according to the following schedule:

- 1) For taxes levied in the first year of abatement: 100%
- 2) For taxes levied in the second year of abatement: 95%
- 3) For taxes levied in the third year of abatement: 90%
- 4) For taxes levied in the fourth year of abatement: 85%
- 5) For taxes levied in the fifth year of abatement: 80%
- 6) For taxes levied in the sixth year of abatement: 75%
- 7) For taxes levied in the seventh year of abatement: 70%

H) Said abatements shall be for seven (7) consecutive years beginning with the real estate taxes payable in the year following the first full year of a facility's commercial operation after which said improvements have been made. Abatement for a specific project will cease after the seventh year or upon expiration, termination or decertification of the Streator Area Enterprise Zone, whichever is sooner.

I) The above property tax abatements shall be applicable for eligible Industrial, Warehouse/Distribution/Logistic(s), Office-Based Companies, certain Retail/Commercial projects upon which construction, improvements, renovation or rehabilitation, for which a building permit is required, and one has been obtained, has been completed before the expiration, termination or decertification of the Streator Area Enterprise Zone, whichever is sooner. Abatement shall only apply to the incremental increase in taxes assessed as a result of the project and its related improvements.

Questions as to the eligibility of a project will be decided by the Streator Area Enterprise Zone Administrator, in accordance with the Act and policies and procedures adopted and amended from time-to-time by the Streator Area Enterprise Zone Board.

J) Entities meeting qualification criteria outlined above must enter into a Memorandum of Understanding with the Streator Area Enterprise Zone through its Enterprise Zone Administrator, outlining projected job creation and/or job retention numbers, and capital investment for the eligible Non-Residential-based, Industrial, Warehouse/Distribution/ Logistic(s), Office Based Companies, Retail/Commercial and Special Affordable Housing Projects. Said Administrator is hereby authorized to enter such agreements on behalf of the Streator Area Enterprise Zone, in accordance with policies and procedures adopted and amended from time-to-time by the Streator Area Enterprise Zone Board.

- 1) **Entities receiving property tax abatement for eligible Non-Residential-based, Industrial, Warehouse/Distribution/Logistic(s), Office-Based Companies or Retail/Commercial and Special Affordable Housing projects must agree to maintain a minimum of 90% of the employment levels at that location as described in the Memorandum of Understanding for the term of abatement, where applicable. At the discretion of the Streator Area Enterprise Zone Administrator, the policies and procedures of the Streator Area Enterprise Zone Board, and with the advice and consent of the Designating Units of Government, failure to maintain a minimum of 90% of the employment levels during the agreement period (where applicable) 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. In the case of Special Affordable Housing Projects, the failure to maintain rents and sale prices at 80% or less of the regions median residential price will also trigger this loss of future abatement.**
- 2) **The Administrator of the Streator Area Enterprise Zone will annually monitor the performance of the eligible recipients of property tax abatement in order to ensure that job and investment projections as well as changes in equalized assessed valuation, rents and sale prices outlined in the Memorandum of Understanding, are being met and report these findings to the Streator Area Enterprise Zone Board.**
- 3) **The Administrator of the Streator Area Enterprise Zone, with advice and consent of the Designating Units of Government, may elect to waive enforcement of any performance measures outlined in the Memorandum of Understanding if 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 ordinance, all incentives and benefits previously offered and in effect in the Streator Area Enterprise Zone granted after January 1, 2016, shall continue as originally implemented for the term of the Streator Area Enterprise Zone, subject to approval of amendments of said Zone by the Department, for the following groups:**

- a. Business enterprises which are receiving benefits or incentives in the Streator Area Enterprise Zone on the effective date of this designating resolution;
  - b. Business enterprises or expansions which are proposed or under development on the effective date of this designating resolution:
    - i. if the business enterprise demonstrates that the proposed business enterprise or expansion has committed to locating or expanding in the zone; or
    - ii. 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 because of the enterprise zone.
- K) **Regulatory and Legal Compliance.** The entities receiving Streator Area 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 findings by any governmental agency or court.

**SECTION III – OTHER BENEFITS.** As provided by law, Industrial, Warehouse/ Distribution/Logistics, Office-Based companies, Retail/Commercial and Special Affordable Housing Projects as defined herein located in the Streator Area Enterprise Zone (and not otherwise excluded) shall also be eligible for sales tax abatement on construction materials used to build eligible improvements. Eligible projects in the Streator Area Enterprise Zone will also be eligible for regulatory exemptions and relaxation as provided by the Illinois Enterprise Zone Act (20 ILCS 655/9 et seq) as well as any other benefits for which they may qualify according to the Act.

**SECTION IV- ADMINISTRATION.** By agreement of the Designating Units of Government of the City of Streator, the City of Pontiac, the City of Fairbury, the Village of Dwight, the Village of Forrest, the County of LaSalle and the County of Livingston, the Administrator of the Streator Area Enterprise Zone will be the City Manager of the City of Streator, or other qualified party as determined from time to time by completing a Request For Qualifications process conducted by the Enterprise Zone Advisory Board in accordance with the Illinois Enterprise Zone Act and Regulations. Administration of the Zone will be carried out as described in the Enterprise Zone Intergovernmental Agreement between the City of Streator, the City of Pontiac, the City of Fairbury, the Village of Dwight, the Village of Forrest, the County of LaSalle and the County of Livingston. The Zone Administrator will act in accordance with policies and procedures of the Streator Area Enterprise Zone Board, which will be chaired by the Zone Administrator, and eight (8)



other appointees, four named by the City of Streator City Council and one each from LaSalle County, Livingston County, the City of Pontiac and the Village of Dwight.

**SECTION V – ADMINISTRATION FEES.** As allowed by the Act, the Administrator of the Streator Area Enterprise Zone is hereby authorized to and may collect, an Administration Fee for the issuance of Sales Tax Exemption Certificates for Construction Materials in order to offset the management and operational costs associated with the Administration of the Zone. Said fee shall be equal to .5 percent (1/2%) of the documented cost of building materials for each project up to a maximum of \$50,000 per Certificate (20 ILCS 655/8.2c). The Zone Administrator, with the advice and consent of the Designating Units of Government, may also elect to collect a processing fee for related Enterprise Zone activities such as boundary amendment applications, technical correction applications, and/or other applications resulting in an amendment to the Zone or Zone operating procedures, which may change from time to time. At no time will all fees combined, related to a single project, exceed \$50,000 or such amount as may be stipulated in state statute. Fees collected for Enterprise Zone Administration shall be used to advance and market the Streator Area Enterprise Zone in LaSalle/Livingston County labor market area and related economic development activities as approved by the Streator Area Enterprise Zone Board.

**SECTION VI – 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, any participating municipalities adopt an Enterprise Zone designating ordinance pursuant to Section 5.4 of the Act specifically concerning the abatement of taxes on property, as in SECTION II 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 VII – NO TAX LEVY OBJECTION.** Taxpayers receiving Streator Area Enterprise Zone property tax abatement under the terms and conditions of SECTION II 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 VIII – NO ASSIGNMENT OR TRANSFER.** Streator Area 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 Streator Area Enterprise Zone Administrator, with the advice and consent of the Designating Units of Government, 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 Streator Area Enterprise Zone Administrator requesting transfer of the abatement to the new owner for the time remaining on the abatement.

The Streator Area Enterprise Zone Administrator, with the advice and consent of the Designating Units of Government and in accordance with the policies and procedures of the Streator Area Enterprise Zone 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 II above and the applicable MOU. The Streator Area 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 IX – LOCAL SOURCING STATEMENT.** The cities, villages and counties which are party to this agreement encourage companies receiving Enterprise Zone benefits, as provided herein, to utilize local labor and to purchase building materials locally.

**SECTION X – CONFLICTING LANGUAGE.** All Ordinances or parts of Ordinances conflicting with any provisions of this Ordinance shall be and are hereby repealed.

**SECTION XI – EFFECTIVE DATE.** This Ordinance shall be in effect from the date of and after its passage, approval and recording and upon approval of the Enterprise Zone amendments by the Illinois Department of Commerce and Economic Opportunity, according to law.

**PASSED and APPROVED this \_\_\_\_\_ day of \_\_\_\_\_ 2018**

VOTE:

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

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

ABSTAIN: \_\_\_\_\_

\_\_\_\_\_  
Jimmie Lansford, Mayor

ATTEST:

\_\_\_\_\_  
County Clerk