

ORDINANCE NO. 728

**2017 AMENDMENT TO THE PEORIA URBAN ENTERPRISE ZONE DESIGNATING
ORDINANCE AND ITS INTERGOVERNMENTAL AGREEMENT**

WHEREAS, the County of Peoria, a body politic and political subdivision of the State of Illinois (the "County"), the City of Peoria, the Village of Peoria Heights, the City of West Peoria the Village of Bartonville, Village of Bellevue, and Village of Mapleton, all of which are Illinois municipal corporations (collectively hereafter referred to as the "Municipalities") are interested to designate and collaborate through the Peoria Urban Enterprise Zone, with the County and Municipalities collectively hereafter referred to as the "Parties" or "Designating Local Governments"; and

WHEREAS, the State of Illinois has enacted the Illinois Enterprise Zone Act, as amended (hereinafter referred to as the "Act") to alleviate distressed economic conditions in certain depressed areas; and

WHEREAS, the health, safety, and welfare of the residents of the County and Municipalities are dependent, in part, upon a healthy private sector economy; and

WHEREAS, the development, growth, and expansion of the private sector requires a cooperative and continuous partnership between government and private sector; and

WHEREAS, there are certain areas in the County and Municipalities that need the particular attention of government and business to attract private sector investment and directly aid the Parties and the residents thereof; and

WHEREAS, the Local Labor Market Area (the "LLMA") for the County and Municipalities is defined as parts of Peoria, Tazewell, Woodford, Stark, Marshall, Fulton, Knox, McDonough, and McLean Counties (see Attachment A for a description of the LLMA); and

WHEREAS, parts of the LLMA for several years have suffered from high unemployment, high poverty and a variety of other economic factors negatively affecting the incorporated and unincorporated areas above mentioned; and

WHEREAS, the Village of Bellevue is cognizant of the distressed conditions existing within this area and are desirous of alleviating these distressed conditions; and

WHEREAS, the Village of Bellevue has indicated its willingness and desire to partner with the County of Peoria, the City of Peoria, the City of West Peoria, the Village of Peoria Heights, the Village of Bartonville, and the Village of Mapleton in designating portions of these communities as an Enterprise Zone; and

WHEREAS, the Intergovernmental Cooperation Act (PA 78-785), as enacted by the State of Illinois, Section 3, provides as follows:

"Section 3: Intergovernmental Agreement. Any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment."; and

WHEREAS, the Parties to this Agreement have had conferred upon them the exercise of powers authorized in 5/ILCS 220/1 of the Illinois Compiled Statutes; and

WHEREAS, the Village of Bellevue adopted a designating ordinance for the Peoria Urban Enterprise Zone on June 14, 2016 and adopted an amended and restated Designating Ordinance dated January 10, 2017 and the Village Board of the Village of Bellevue wishes to again amend and restate such ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE OF BELLEVUE IN CONSIDERATION OF THE RECITALS HEREIN ABOVE SET FORTH, AS FOLLOWS:

1. **Designation:** The area precisely described in Attachment B (Enterprise Zone Map), Attachment C (List of Parcel Identification Numbers), and Attachment D (Legal Description) and any areas subsequently certified by amendments from time to time by the Parties and the State of Illinois are hereby designated an Enterprise Zone pursuant to and in accordance with the Act, subject to certification and approval of the State of Illinois as provided in the Act, and shall be known as the Peoria Urban Enterprise Zone (hereinafter referred to as "Enterprise Zone" or "Zone Area"). Parcels that are added or deleted in any amendment will be identified, specifically, in Attachment C.
 - a) It is anticipated that fifteen (15) square miles will be made available to the Designating Local Governments by the State of Illinois under the following conditions:
 - i. The City of Peoria shall receive ten (10) square miles for designation;
 - ii. The County of Peoria shall receive three and thirty six one-hundredth (3.36) square miles for designation in unincorporated areas;
 - iii. The Village of Peoria Heights shall have thirty one-hundredth (.30) of one square mile for designation;
 - iv. The City of West Peoria shall have fifteen one-hundredth (.15) of one square mile for designation.
 - v. The Village of Bartonville shall have ninety-five one-hundredth (.95) of one square mile for designation;
 - vi. The Village of Bellevue shall have twelve one-hundredth (.12) of one square mile for designation;
 - vii. The Village of Mapleton shall have twelve one-hundredth (.12) of one square mile for designation;
 - viii. Changes that are proposed by each Designating Local Government within its corporate limits, or in the case of Peoria County in unincorporated areas, and up to its maximum designation shall be approved and not denied by each other Designating Local Government if the changes are entirely within the corporate limits of the Designating Local Government which proposed the change.
 - b) Expansions of the Zone Area within existing Designating Local Governments shall be subject to the following conditions:
 - i. The filing of a request to expand territory to the Zone Administrator or Zone Management Organization by any interested County or Municipality ("Expanding Entity");
 - ii. The Expanding Entity shall pay all necessary costs to include any desired territory into the Enterprise Zone, which may include but is not limited to legal fees, surveying fees, transcribing fees related to any public hearing, etc;
 - iii. A public hearing regarding the expansion of territory to the Enterprise Zone;
 - iv. Any necessary ordinance or resolution by the Expanding Entity indicating its desire and intent to expand territory to the Enterprise Zone;
 - v. Ordinances from all Designating Local Governments supporting the expansion of territory that is approved by a simple majority vote of each Designating Local Government; and
 - vi. Approval of the expansion of the Enterprise Zone by the State of Illinois through its Department of Commerce and Economic Opportunity (hereinafter referred to as "DCEO" or the "State").
 - c) Additions or subtractions of Municipalities or Counties to the Urban Peoria Enterprise Zone shall be subject to the following conditions:

- i. The filing of a request to the Zone Administrator or Zone Management Organization by any interested County or municipal corporation within the Urban Peoria Enterprise Zone ("Applying Entity");
- ii. Acknowledgement from the Applying Entity that the Applying Entity shall pay all necessary costs related to the change, which may include but is not limited to legal fees, surveying fees, transcribing fees related to any public hearing, etc;
- iii. A public hearing regarding the change to the Enterprise Zone;
- iv. The passage of an ordinance or resolution by the Applying Entity indicating its desire and intent to withdraw from or become a part of the Urban Peoria Enterprise Zone, as well as, any local incentives the Applying Entity shall offer.
- v. In the instance where an Applying Entity desires to be removed from the Urban Peoria Enterprise Zone, the passage of an ordinance or resolution by the Applying Entity indicating its desire to be removed from the Urban Peoria Enterprise Zone shall be required. The withdrawing Applying Entity's allocation of Enterprise Zone designation shall then be divided up equitably on a pro rata basis among the remaining Designating Local Governments.
- vi. An ordinance from all Designating Local Governments supporting the addition of the Applying Entity that is approved by a simple majority vote of each Designating Local Government; and
- vii. Approval of the change of the Enterprise Zone by the State of Illinois through its Department of Commerce and Economic Opportunity (hereinafter referred to as "DCEO" or the "State").

2. **Qualifications.** The Village of Bellevue hereby declares, affirms and makes a finding that the Zone Area and LLMA are qualified for designation as an Enterprise Zone in accordance with the provisions of the Act, and further affirms that:

- a) The Zone Area is a contiguous area, provided that some wholly surrounded territories within the Zone Area may be excluded;
- b) The Zone Area comprises a minimum of one-half square mile and not more than fifteen square miles in total area, exclusive of lakes and waterways;
- c) The Zone Area satisfies at least three of the following areas under Section 4 of the Enterprise Zone Act:
 - i. Unemployment: Parts of the Local Labor Market Area for the Zone Area have had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security.
 - ii. Employment Opportunities: Designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the Local Labor Market Area.
 - iii. Poverty: Parts of the Local Labor Market Area have a poverty rate of at least 20% according to the latest data from the U.S. Census Bureau, 50% or more of children in the Local Labor Market Area are eligible to participate in the federal free or reduced-price meals program according to reported statistics from the State Board of Education, or 20% or more households in the Local Labor Market Area receive food stamps according to the latest data from the U.S. Census Bureau.
 - iv. Abandoned Coal Mine or Brownfield: An abandoned coal mine or a brownfield (as defined in Section 58.2 of the Environmental Protection) is located in the proposed zone addition area.
 - v. Federal Disaster Area: All of the proposed Zone Area was declared a federal disaster area in the 3 years preceding the date of application.
 - vi. Large Scale Business Closings: The Local Labor Market Area contains a presence of large employers that have downsized over the years.
 - vii. Vacant Structures: the Local Labor Market Area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures that are prevalent in the Local Labor Market Area.
 - viii. Tax Base Improvement Plan: A plan has been developed for using the designation to improve the State and local government tax base, including income, sales, and property taxes.

- ix. **Public Infrastructure Improvement Plan:** Significant public infrastructure is present in the Local Labor Market Area in addition to a plan for infrastructure development and improvement.
 - x. **Career Skills Programs:** A community college located within the Local Labor Market Area is engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or industry-based credentials that prepare students for careers.
- d) On the 13th day of May, 2016 a Public Hearing was conducted within the Zone Area regarding the addition of Designating Local Governments to the Peoria Urban Enterprise Zone and amending the Zone's boundaries. A public notice was given in one newspaper of general circulation within the Zone Area not more than twenty days nor less than five days before the hearings.
- e) The Zone Area addresses a reasonable need to encompass portions of more than one (1) municipality and adjacent unincorporated areas of the County.
- i. The County of Peoria, City of Peoria, Village of Peoria Heights, City of West Peoria, Village of Bartonville, Village of Bellevue, and Village of Mapleton realize the importance of regional economic development in each community. Creating an Enterprise Zone that crosses County, City and Village borders proves that the jurisdictions view neighboring communities as partners, rather than competitors. Each of the municipalities in the enterprise zone application also share a common local labor market area. The Enterprise Zone program will help each to attract new business development to the LLMA and help stabilize the local economy.
3. **Terms and Effect.** The term of the Peoria Urban Enterprise Zone commenced on January 1, 2016 and shall be and remain in effect for fifteen (15) years, with a possible extension of another ten (10) years upon review and approval by the State.
4. **Incentives.**
- a) **Sales Tax Exemption.** Each retailer who makes a qualified sale of building materials to be incorporated into real estate in the Peoria Urban Enterprise Zone for the purpose of remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the State of Illinois under and pursuant to Retailers' Occupation Tax Act (35 ILCS 120/5k), subject to all of the following conditions being met:
 - i. The Village of Bellevue has issued a building or other permit required by any of the applicable codes or ordinances of the Village of Bellevue;
 - ii. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
 - iii. The State of Illinois has issued a certificate of sales tax exemption, a copy of which is required to be provided to the applicable retailer at the time of sale and maintained by such retailer in its books and records for the purposes of documenting any such deduction;
 - iv. The deduction allowed hereby shall be limited to and shall only apply to any remodeling, rehabilitation or new construction of any commercial, industrial, or manufacturing building or structure within the zone where the total amount of the project, as per the building or zoning permit, exceeds \$5,000;
 - 1. If the total amount of any commercial, industrial or manufacturing project as per the building or zoning permit exceeds \$50,000 it must be constructed using prevailing wage rates or show proof that a project labor agreement has been entered into in order to qualify for the Enterprise Zone sales tax exemptions; however, if a property owner does not apply for or seek any sales tax exemption incentives through the Enterprise Zone, that property owner is not required to pay the prevailing wage rates required herein; and
 - 2. Upon request, a project owner, developer, contractor or subcontractor seeking Enterprise Zone incentives shall sign a prevailing wage agreement and/or submit certified payroll documentation to the Zone Administrator, or other requested documentation, as proof that prevailing wage requirements pursuant to this Agreement are being followed;

3. If the Designating Local Governments, Zone Administrator or Zone Management Organization discover that a project owner, developer, contractor or subcontractor has not followed prevailing wage requirements pursuant to this Agreement, the project owner, developer, contractor or subcontractor shall be liable for the difference between what was paid to workers and the prevailing wage for all hours worked, as well as, owe the Zone Management Organization a 20% penalty of the underpayment. In addition the affected workers are each owed 2% of the amount of any such penalty for each month during which underpayments remain unpaid. For a second or subsequent violation the 20% penalty is increased to 50% and the 2% penalty is increased to 5%.
 - v. The deduction allowed hereby shall also be limited to and shall only apply to any remodeling, rehabilitation or new construction of any owner-occupied residential building or structure within the zone where the total amount of the residential project, as per the building or zoning permit, exceeds \$5,000.
 1. An owner-occupied residential building or structure shall be defined as a structure capable of housing two or less family units.
- b) **Property Tax Abatements.** The Village of Bellevue authorizes and directs the County Clerk of Peoria County to abate ad valorem taxes imposed upon real property, located within the Enterprise Zone area, upon which new improvements have been constructed, renovated or rehabilitated, subject to all the following conditions:
- i. The Village of Bellevue has issued a building or other permit required by any of the applicable codes or ordinances of the Village of Bellevue.
 - ii. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
 - iii. The project has been certified by the zone administrator or State of Illinois.
 - iv. Abatement of taxes on any parcel shall not exceed the amount attributable to the construction of the improvements and the renovation or rehabilitation of the existing improvements on such parcel.
 - v. Such abatement shall be allowed only for commercial, industrial or manufacturing property located within the Zone Area.
 - vi. Such abatement shall be for five years at the rate of 100% for the first three years and at the rate of 50% for years four and five, commencing the first year after any improvements have been assessed.
 - vii. As part of the application process for certification of a project, the project owner or owner of the property where a property tax abatement would occur shall agree to not pursue a reduction in assessed value of the property for a minimum of five (5) years following the expiration of the property tax abatement period.
 - viii. The abatement shall apply only to improvements commenced within the Enterprise Zone after designation of the Enterprise Zone by the Designating Local Governments and certification by the State.
 - ix. Any abatement which commences prior to the expiration of the Enterprise Zone shall not continue beyond the expiration of the Enterprise Zone.
 - x. Any abatement shall also apply within territory lawfully added to the Enterprise Zone subsequent to its certification by the State and shall also apply to any lawfully authorized term extension of the Enterprise Zone.
 - xi. The following provision will apply to all projects involving demolition and new construction:
Any project which involves new construction on a site which previously was occupied by a building(s) will receive the real estate tax abatement on a "net new" basis. That is, the increased assessment amount to be abated will be based on the most recent assessment of the property which included the valuation of the property which included the valuation of the land and original building(s).
 - xii. In the case of property within a redevelopment area created pursuant to the Real Property Tax Increment Allocation Redevelopment Act no abatement shall be granted.

- c) **Waiving of building, permit, or zoning fees.** The Village of Bellevue may waive building, zoning or permit fees in connection with a project being undertaken in the Enterprise Zone, subject to all the following conditions:
 - i. The Village of Bellevue has issued a building or other permit required by any of the applicable codes or ordinances of the Village of Bellevue;
 - ii. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
 - iii. The project has been certified by the zone administrator or State of Illinois;
 - iv. The waiving of building, zoning, or permit fees shall be subject to rules and guidelines issued by the Village, provided, such rules and guidelines are not inconsistent with the Act.

- d) **Additional loan consideration.** The Village of Bellevue may provide additional consideration if a project developer or owner seeks financial assistance through any loan program provided by the Village, subject to all the following conditions:
 - i. The Village of Bellevue where work is being undertaken has issued a building or other permit required by any of the applicable codes or ordinances of the Village of Bellevue;
 - ii. The project or property owner seeking an incentive does not owe any fines, fees or overdue taxes;
 - iii. The project has been certified by the zone administrator or State of Illinois.
 Any additional loan considerations shall be subject to rules and guidelines issued by the Village of Bellevue, provided, such rules and guidelines are not inconsistent with the Act or other Federal or State mandated requirements.

5. **Zone Management.**

- a) Upon designation as an Enterprise Zone by the State, a Zone Management Organization shall be formed and comprised of nine members that will include the Chairperson of the Peoria County Board (or designee), the Mayors or Presidents (or designees) of the City of Peoria, the Village of Peoria Heights, the City of West Peoria, the Village of Bartonville, Village of Bellevue, and Village of Mapleton and two (2) members of the private sector. The County Board Chair and Mayor of the City of Peoria shall each appoint one of the private sector members. All Members of the Zone Management Organization shall reside or work within a jurisdiction of the Designating Local Governments.

- b) The Zone Management Organization will be the governing body of the Enterprise Zone and will appoint the Zone Administrator. Nominations shall be received from members of the Zone Management Organization for appointment of the Zone Administrator. Decisions on appointment or removal of the Zone Administrator shall be made under the following conditions:
 - i. Appointment of the Zone Administrator shall be by majority vote of the Zone Management Organization.
 - ii. The Zone Administrator may be removed by a two-thirds vote of the Zone Management Organization.
 - iii. The Zone Administrator shall be an employee or officer of one of the participating governmental agencies.
 - iv. The governmental agency that employs the Zone Administrator shall agree to act as the fiscal agent for the Zone Management Organization.

6. **Zone Administrator.** The Zone Administrator shall be responsible for the day-to-day implementation within the Zone Area and will be the liaison between the Zone Management Organization, regional economic development groups and professionals, and the DCEO.

- a) The Zone Administrator shall have the power to:
 - i. Supervise the implementation of the provisions of the Intergovernmental Agreement and the Illinois Enterprise Zone Act.

- ii. Act as a liaison between the Designating Local Governments, the Zone Management Organization, DCEO, any Designated Zone Organization, and other State, Federal and local agencies, governments or instrumentalities.
- iii. Maintain records of Enterprise Zone Program activities and development;
- iv. Conduct an ongoing evaluation of the Enterprise Zone Program and submit such evaluative reports on at least an annual basis to the Zone Management Organization.
- v. 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.
- vi. Recommend qualified Designated Zone Organizations or Designated Zone Organization Projects to the Zone Management Organization.
- vii. Have such other duties as specified by the Zone Management Organization, to appoint personnel as appropriate to assure the effective, efficient and equitable operation of the Enterprise Zone.

- b) Ten percent (10%) of all Enterprise Zone Fees collected pursuant to Section 8 by each Designating Local Government shall be paid to the Enterprise Zone Administrator to offset costs associated with administering the Enterprise Zone program.

7. **Fees.** Certification for projects in the Zone Area will be granted by the Enterprise Zone Administrator only after completion of applicable Enterprise Zone Application forms and payment of an application fee. The application fee shall be in accordance with the Illinois Enterprise Zone Act, as amended, and payable to the employing entity of the Zone Administrator or the Designating Local Government that has jurisdiction over the project.

8. **Designated Zone Organization.** The Zone Administrator may recommend to the Zone Management Organization one or more organizations that may qualify as a Designated Zone Organization under the provisions of the Illinois Enterprise Zone Act. Upon approval by the Zone Management Organization, for a term of years set by the Zone Management Organization, the Designated Zone Organization may:

- a) Exercise authority for the enforcement of any code, permit, or licensing procedure within an Enterprise Zone;
- b) Provide a forum for business, labor and government action or enterprise zone innovations;
- c) Receive title to publicly-owned land;
- d) Solicit and receive contributions to improve the quality of life in the Zone Area; and
- e) Perform such other functions as the Municipalities and County may deem appropriate, not inconsistent with the Illinois Enterprise Zone Act.

9. **Execution of amended Peoria Urban Enterprise Zone Intergovernmental Agreement.** The Village of Bellevue, by its President, is hereby authorized to negotiate and enter into to the Peoria Urban Enterprise Zone Intergovernmental Agreement and that Agreement's Amendment #4.

PASSED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF BELLEVUE, ILLINOIS THIS
14th DAY OF March, 2017

APPROVED:



President

ATTEST:



Village Clerk