

**PROPOSED SUBSTITUTE TO FILE ID 16-3870  
County Board Meeting 6/29/2016**

**Sponsored by:** TONI PRECKWINKLE, President, DEBORAH SIMS, JOAN PATRICIA MURPHY and STANLEY MOORE, County Commissioners

**PROPOSED ORDINANCE AMENDMENT**

**AN ORDINANCE TO AMEND THE CURRENT CAL SAG ENTERPRISE ZONE SUBJECT TO THE ENTERPRISE ZONE ACT OF THE STATE OF ILLINOIS.**

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 14 – Community Development, Article III-Cal-Sag Enterprise Zone, Section 14-29 through Section 14-38 of the Cook County Code is hereby amended as Follows:

**ARTICLE III. – CAL- SAG ENTERPRISE ZONE**

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

**WHEREAS**, The Village of Alsip, The City of Blue Island, The Village of Calumet Park, The City of Country Club Hills, The Village of Dixmoor, The Village of East Hazel Crest, The Village of Homewood, The City of Harvey, The Village of Hazel Crest, The City of Markham, The Village of Merrionette Park, The Village of Midlothian, The City of Oak Forest, The Village of Phoenix, The Village of Robbins, The Village of Worth, and the County of Cook (“the County), a body Politic and Corporate of the State of Illinois, 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 Illinois Enterprise Zone Act; and

**WHEREAS**, the aforesaid Municipalities and the County have joined in the collective pursuit of a joint Enterprise Zone, subject to approval of their respective governing bodies; and

**WHEREAS**, the Municipalities and the County have declared and established an Enterprise Zone pursuant to the 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 named and designated as the "Cal Sag" Enterprise Zone; and

**WHEREAS**, the Cal Sag Enterprise Zone was duly approved by the Illinois Enterprise Zone Board, certified by the Illinois Department of Commerce and Economic Opportunity and currently exists; and

**WHEREAS**, it is determined that it is in the best interest of the citizens of the County and Municipalities to amend the current Cal Sag Enterprise Zone to change its boundaries by deleting certain territories from the existing Cal Sag Enterprise Zone and include additional territories to the proposed amended Cal Sag Enterprise Zone, as well as to encourage private sector investments within said proposed amended Enterprise Zone; and

**WHEREAS**, prior to filing of an application for approval of the designation of an amended Enterprise Zone, under the Illinois Enterprise Zone Act, it is required that the County and Municipalities respectively adopt Ordinances designating the proposed amended Enterprise Zone; and

**BE IT ORDAINED**, by the Cook County Board of Commissioners, that Chapter 14, Community Development, Article III, Cal-Sag Enterprise Zone, Sections 14-29 through 14-38 of the Cook County Code is hereby amended as follows:

**Sec. 14-29. – Establishment of enterprise zone and enterprise zone designation; Amendments.**

In accordance with the Enterprise Zone Act (20 ILCS 655/1 et seq.), the Board of Commissioners hereby establishes an Enterprise Zone in cooperation with the Village of Alsip, the City of Blue Island, the Village of Calumet Park, the City of Country Club Hills, the Village of Dixmoor, the Village of East Hazel Crest, the Village of Homewood, the City of Harvey, the Village of Hazel Crest, the City of Markham, the Village of Merrionette Park, the City of Oak Forest, the Village of Phoenix, the Village of Robbins, the Village of Worth, the Village of Midlothian and the County of Cook. Each ~~have~~ has areas within their respective legal boundaries that are economically distressed and would benefit from private sector investments under the Enterprise Zone Act. This Enterprise Zone and Enterprise Zone amendments are ~~is~~ hereby declared and established pursuant to authority granted by the Illinois Enterprise Zone Act, as amended. The Enterprise Zone is named and designated as the Cal-Sag Enterprise Zone; said Enterprise Zone and any amendments to the Enterprise Zone are ~~is~~ further subject and contingent on approval by the Illinois Enterprise Zone Board and certification by the Illinois Department of Commerce and Economic Opportunity. Effective July 13, 2016, the Board of Commissioners authorized amending the existing Cal-SAG Enterprise Zone in cooperation with the Villages and Cities noted above in Section 14-29. The July 13, 2016 amended Cal-Sag Enterprise Zone amends the boundaries of the Enterprise Zone in order to accommodate new development opportunities; the amended Enterprise Zone is further outlined and described in Exhibits A, B, C and D which are attached to the Ordinance amendment. The current Enterprise Zone will continue to exist until the amended Enterprise Zone is approved by the Illinois Department of Commerce and Economic Opportunity.

**Sec 14-30.- Term.**

The term of the Enterprise Zone is 15 years, subject to the effective date of certification of the Enterprise Zone and the potential ten-year renewal prescribed under the Illinois Enterprise Zone Act. Once certified, the term of the July 13, 2016 amended Enterprise Zone will be the same as the current Cal Sag Enterprise Zone; the current Cal Sag Enterprise Zone is scheduled to expire on December 31, 2030, subject to the 10 year renewal prescribed under the Illinois Enterprise Zone Act.

**Sec. 14-31. - Description of zone.**

The area of the designated amended Enterprise Zone is outlined in the map in Exhibit A and the Zone's boundaries are delineated in ~~the legal description provided in~~ Exhibit B which exhibits are attached to the Ordinance [codified in this Article] and incorporated herein by reference.

**Sec. 14-32. - Qualifications.**

The County and the Municipalities hereby declare and affirm that the Zone Area and amended Zone Area are ~~is~~ qualified for designation as an Enterprise Zone in accordance with the provisions of the Illinois Enterprise Zone Act, and it is declared herein:

- (a) The Enterprise Zone and amended Zone Area is a contiguous area;
- (b) The Enterprise Zone and amended Zone Area comprises an area larger than one-half square mile and not more than 15 square miles in total area;

(c) The Enterprise Zone and amended Zone Area is a depressed area;

(d) The Enterprise Zone and amended Zone Area addresses a reasonable need to encompass portions of more than one Municipality and adjacent unincorporated areas of the County;

(e) The Enterprise Zone and amended Zone Area exceeds the minimum requirement of meeting three of the ten criteria specified in the Illinois Enterprise Act (20 ILCS 655/4 (f));

(f) A public hearing was conducted pursuant to a Notice duly published in a newspaper of general circulation, within the Cal Sag Enterprise Zone Area and within the proposed amended Zone Area, not more than 20 days nor less than five days before the hearing date; and

(g) The Enterprise Zone and amended 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 regarding the amended Zone Area are supported, sustained and consistent with the substantive materials contained in Exhibit C, attached here to, and incorporated herein by reference.

#### **Sec. 14-33. - 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:

(a) *State Incentives.*

(1) *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.

(2) *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 \$5,000,000.00 in qualified property that creates a minimum of 200 full-time-equivalent jobs, a business investing at least \$40,000,000.00 in a zone and retaining at least 2,000 jobs, or a business investing at least \$40,000,000.00 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.

(3) *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 \$5,000,000.00 in qualified property that creates a minimum of 200 full-time equivalent jobs in Illinois, an investment of \$20,000,000.00 that retains at least 1,000 full-time-equivalent jobs, or an investment of \$175,000,000.00 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.

(4) *Enterprise Zone Investment Tax Credit.* A state investment tax credit of one-half of one 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 one-half percent Investment tax credit, which is available throughout the state, and up to one-half of one percent credit for increased employment over the previous year.

(5) *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.

(b) *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 counties and municipalities. The following local Enterprise Zone incentives are hereby offered:

(1) Abatement of 50 percent of the municipal portion of property taxes on new improvements for the first five years following the completion of these improvements for industrial or commercial properties, or for residential properties of 12 or more housing units, so long as the residential property remains under one ownership. This benefit will not be applicable if the project investor is also the recipient of tax relief under the terms of a tax increment finance (TIF) agreement or other substantial property tax abatement provided by a unit of local government.

(2) Waiver of 50 percent of building permit or zoning application fees for industrial or commercial properties, or for residential properties of 12 or more housing units.

(3) The Enterprise Zone will provide officials of municipalities that are signatories to the Intergovernmental Agreement, which is Attachment D to this Ordinance [No. 14-6427], with certain written documentation and materials relative to additional incentives, including public or not for profit financing and workforce development programs, which municipal 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 program 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 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 \$50,000.00 is permitted (20 ILCS 655/8.2 (c)); as to each project.

#### **Sec. 14-34. - Zone administrator.**

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

(a) Supervise the implementation of the provisions of ~~this the Cal Sag~~ Intergovernmental Agreement and under the Illinois Enterprise Zone Act.

(b) Act as a liaison between the ~~Counties,~~ County, 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 Enterprise Zone Governing Council ("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 amended Enterprise Zone.

(e) Recommend qualified Designated Zone Organizations to the Council of the amended Enterprise Zone.

(f) Have other such duties as specified by the Council, including the appointment of authorized personnel as appropriate, to assure the smooth operation of the amended Cal Sag Enterprise Zone.

**Sec. 14-35. - Intergovernmental agreement.**

The amended Enterprise Zone shall be governed, managed and operated in accordance with the Intergovernmental Agreement between the County and 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 Cook County and its attorney for review. The President is hereby authorized to execute this Agreement, on behalf of the County of Cook. Further, the President or his or her designee is authorized to sign all documents reasonably necessary in the furtherance of the Joint Application for said amended Enterprise Zone, to be filed with the Illinois Department of Commerce and Economic Opportunity.

**Sec. 14-36- Continuation of management.**

Section 4, Zone Management, including Subsections (a), (b) and (c) of the Amended Intergovernmental Agreement (Exhibit D) is identical to the likewise enumerated provisions in the Intergovernmental Agreement of the current existing Cal Sag Enterprise Zone. So as to provide continuity between the existing and amended Cal Sag Enterprise Zone, the prior zone management actions of the Parties and the Joint Enterprise Zone Governing Council are hereby adopted for the purposes of the amended Cal Sag Enterprise Zone. The adopted management actions include the appointment of representatives of the Parties to the Council, the adoption of rules and procedures by the Council and the appointment of a Zone Administrator, if any. This provision does not limit the Parties or the Council from duly implementing changes in zone management to the amended Cal Sag Enterprise Zone.

**Sec. 14-~~36~~37. - Severability.**

This Ordinance [Article] and every provision thereof shall be considered severable and the invalidity of any section clause, paragraph, sentence or provision of this Ordinance [Article] will not affect the validity of any other portion of this Ordinance [Article].

**Sec. 14-~~37~~ 38. - Publication and effective date.**

Cook County is hereby authorized to publish this Ordinance [No. 14-6427] in pamphlet form. This Ordinance [Article] shall be in full force and effect from after its passage, approval and publication as required by law.

**Effective date:** This ordinance amendment shall be in effect immediately upon adoption.