



# Board of Commissioners of Cook County

118 North Clark Street  
Chicago, IL

## Legislation Details

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|----------------------|--------------------|----------------------|---|----------------------|--|
| <b>File #:</b>       | 14-6427            | <b>Version:</b>      | 1 | <b>Name:</b>         | Cal Sag Enterprise Zone  |
| <b>Type:</b>         | Ordinance          | <b>Status:</b>       |   | <b>Status:</b>       | Approved   |
| <b>File created:</b> | 11/4/2014          | <b>In control:</b>   |   | <b>In control:</b>   | Finance Subcommittee on Real Estate and Business and Economic Development (Inactive. There is now a Business and Economic Development Committee and real estate items in the Asset Management Committee) |
| <b>On agenda:</b>    | 11/19/2014         | <b>Final action:</b> |   | <b>Final action:</b> | 12/17/2014   |
| <b>Title:</b>        | PROPOSED ORDINANCE |                      |   |                      |  |

### CAL SAG ENTERPRISE ZONE

AN ORDINANCE FOR THE ESTABLISHMENT OF AN ENTERPRISE ZONE SUBJECT TO THE ENTERPRISE ZONE ACT OF THE STATE OF ILLINOIS.

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 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, a body Politic and Corporate of the State of Illinois, are organized and existing under the laws of that State of Illinois. Each have areas within their respective legal boundaries that are economically distressed and would benefit from private sector investments under the Enterprise Zone Act; and

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

WHEREAS, it is determined that it is in the best interest of the citizens of the County and Municipalities to establish an Enterprise Zone and encourage private sector investments within said Enterprise Zone; and

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

BE IT ORDAINED by the Board of Commissioners of Cook County Chapter 14, Community Development, Article III, Cal Sag Enterprise Zone, Sections 14-29 through 14-37, be hereby enacted as follows:

### ARTICLE III. CAL SAG ENTERPRISE ZONE

Sec. 14-29. Establishment of Enterprise Zone and Enterprise Zone Designation.

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 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 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 is further subject and contingent on approval by the Illinois Enterprise Zone Board and certification 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 10-year renewal prescribed under the Illinois Enterprise Zone Act.

Sec. 14-31. Description of zone.

The area of the designated 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 this Ordinance and incorporated herein by reference.

Sec. 14-32. Qualifications.

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

- (a) The Zone Area is a contiguous area;
- (b) The Zone Area comprises an area larger than one-half square miles and not more than Fifteen square miles in total area;
- (c) The Zone Area is a depressed area;
- (d) The Zone Area addresses a reasonable need to encompass portions of more than one (1) municipality and adjacent unincorporated areas of the County;
- (e) The Zone Area exceeds the minimum requirement of meeting 3 of the 10 criteria specified in the Illinois Enterprise Act (20ILCS 655/4 (f));
- (f) A public hearing was conducted pursuant to a Notice duly published in a newspaper of general circulation, within the Zone Area, not more than 20 days nor less than 5 days before the hearing date; and
- (g) The Zone Area satisfies any additional criteria stated in the Illinois Enterprise Zone Act or established by the Rules of the Illinois Department of Commerce and Economic Opportunity.

All of the above stated FINDINGS are supported, sustained and consistent with the substantive materials contained in EXHIBIT C, attached 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 million in qualified property that creates a minimum of 200 full-time-equivalent jobs, a business investing at least \$40 million in a zone and retaining at least 2,000 jobs, or a business investing at least \$40 million in a zone which causes the retention of at least 80 percent of the jobs existing on the date it is certified to receive the exemption.

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 million in qualified property that creates a minimum of 200 full-time equivalent jobs in Illinois, an investment of \$20 million that retains at least 1,000 full-time-equivalent jobs, or an investment of \$175 million that creates 150 full-time equivalent jobs in Illinois. The majority of the jobs created must be located in the Enterprise Zone where the investment occurs.

4. Enterprise zone investment tax credit. A state investment tax credit of 0.5 percent is allowed a taxpayer who invests in qualified property in a Zone. Qualified property includes machinery, equipment and buildings. The credit may be carried forward for up to five years. This credit is in addition to the regular 0.5 percent Investment tax credit, which is available throughout the state, and up to 0.5 percent credit for increased employment over the previous year.

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% 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 twelve 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% of building permit or zoning application fees for industrial or commercial properties, or for residential properties of twelve 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, 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 0.5% (one half of one percent) of the cost of building materials of the project associated with the Enterprise Zone, provided that a maximum fee of no more than \$50,000 is permitted (20 ILCS 655/8.2 (c)).

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

Sec. 14-35. Intergovernmental agreement.

The 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 Enterprise Zone, to be filed with the Illinois Department of Commerce and Economic Opportunity.

Sec. 14-36. Severability.

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

Sec. 14-37. Publication and effective date.

Cook County is hereby authorized to publish this Ordinance in pamphlet form. This Ordinance shall be in full force and effect from after its passage, approval and publication as required by law.

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

**Sponsors:** TONI PRECKWINKLE (President), STANLEY MOORE, JOAN PATRICIA MURPHY, DEBORAH SIMS

**Indexes:**

**Code sections:**

**Attachments:** 1. Exhibit A Cal\_Sag\_Map\_Enterprise\_Zone\_8X11\_110714\_CJP, 2. Exhibit B Cal Sag Enterprise Zone-Legal Description-110714, 3. Exhibit C Cal Sag EXHIBIT C Findings, 4. Exhibit D Accepted Changes IGA BETWEEN CAL SAG Rev AG Nov 9 2014 County Edits

| Date       | Ver. | Action By                                   | Action                 | Result |
|------------|------|---|------------------------|--------|
| 12/17/2014 | 1    | Board of Commissioners                      | approve                | Pass   |
| 12/16/2014 | 1    | Business and Economic Development Committee | recommend for approval | Pass   |

|            |   |                        |                 |      |
|------------|---|------------------------|-----------------|------|
| 11/19/2014 | 1 | Board of Commissioners | waive the rules | Pass |
| 11/19/2014 | 1 | Board of Commissioners | refer           | Pass |