

ORDINANCE 2020-003

PASSED: JANUARY 13, 2020

**AMENDING THE PROPERTY TAX ABATEMENT QUALIFYING
CRITERIA AND DEFINITIONS IN THE DEKALB COUNTY ENTERPRISE
ZONE.**

WHEREAS, on December 8, 2014, the corporate authorities of the City of DeKalb adopted Ordinance No. 2014-049 (the "Initial Designating Ordinance"), designating an enterprise zone known as the "DeKalb County Enterprise Zone" (the "Zone"); and

WHEREAS, the corporate authorities of the County of DeKalb, the Town of Cortland, the City of Genoa, the City of Sandwich, the City of Sycamore and the Village of Waterman (collectively, with the City of DeKalb, the "Designating Units of Government") each adopted ordinances substantially identical to the Initial Designating Ordinance (collectively, with the Initial Designating Ordinance, the "Initial Designating Ordinances"); and

WHEREAS, the Designating Units of Government entered into an Intergovernmental Agreement dated as of December 5, 2014 (the "Initial IGA") setting forth mutually agreed property tax abatements available to certain types of businesses located within the Zone, as set forth in the Initial Designating Ordinances; and

WHEREAS, the Initial Designating Ordinances and the DeKalb County Enterprise Zone were certified by the Illinois Department of Commerce and Economic Opportunity (the "DCEO") to begin operations on January 1, 2016, in accordance with the Illinois Enterprise Zone Act (20 ILCS 655/1, *et seq.*), hereafter referred to as the "Act"; and

WHEREAS, on October 28, 2019, the City of DeKalb City Council adopted Resolution No. 2019-146, amending the Initial Designating Ordinance to provide for certain additional incentives for projects located within the Northern Illinois University Research Park (the "First Amending Ordinance"); and

WHEREAS, the corporate authorities of each of the Designating Municipalities each adopted resolutions or ordinances substantially identical to the First Amending Ordinance (collectively, with the First Amending Ordinance, the "First Amending Ordinances"), amending the Initial Designating Ordinances; and

WHEREAS, the Designating Units of Government entered into an amended version of the Initial IGA, dated as of October 13, 2019 (the "First Amended IGA"), agreeing to the terms of the incentives set forth in the First Amending Ordinances; and

WHEREAS, on January 13, 2020, the corporate authorities of the City of DeKalb adopted Ordinance No. 2020-02 (the "Second Amending Ordinance"), amending the Initial Designating Ordinance, as amended by the First Amending Ordinance (collectively, the Initial Designating Ordinance, the First Amending Ordinance, and the Second Amending

Ordinance are the "Designating Ordinance"), to expand the boundaries of the Zone to include certain additional real property; and

WHEREAS, the corporate authorities of the Designating Municipalities each adopted ordinances substantially identical to the Second Amending Ordinance (collectively, with the Second Amending Ordinance, the "Second Amending Ordinances", and, with the Initial Designating Ordinances and the First Amending Ordinances, the "Designating Ordinances"); and

WHEREAS, the Designating Units of Government intend to enter into a second amended version of the Initial IGA, as amended by the First Amended IGA (together with the Initial IGA and the First Amended IGA, the "IGA"); and

WHEREAS, the Designating Units of Government intend to file an application with the DCEO to approve the First Amending Ordinances and the Second Amending Ordinances and to issue an amended certificate for the Zone and the Designating Ordinances; and

WHEREAS, the DeKalb County Enterprise Zone Advisory Board recognizes a need to further adapt local incentives to meet the needs of existing employers and targeted investors and industry sectors in the region; and

WHEREAS, the Designating Units of Government held a duly noticed joint public hearing regarding further amendments to the Designating Ordinances and the IGA to change the qualifying criteria for, and the terms of the property tax abatements available within, the Zone; and

WHEREAS, the Designating Units of Government, have determined and concur that it is desirable and necessary to further amend the Designating Ordinances and to enter into a further amended IGA to change the qualifying criteria for, and the terms of the property tax abatements available within, the boundaries of the Zone to meet these needs and improve the competitiveness of the region; and

WHEREAS, all local participating taxing bodies will be requested to make similar amendments to their respective property tax abatement policies; and

WHEREAS, certain parts of the Zone lie within the boundaries of the City of DeKalb;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of DeKalb, DeKalb County, Illinois, as follows:

SECTION 1: INCORPORATION OF RECITALS. The foregoing recitals are hereby incorporated into and made a part of this Ordinance as if fully set forth herein.

SECTION 2: AMENDMENT OF DESIGNATING ORDINANCE PROPERTY TAX ABATEMENTS. Section 2 of the Designating Ordinance, titled "Property Tax Abatement",

is hereby deleted in its entirety, replaced with the following text, and shall hereafter read as follows:

"Section 2 – PROPERTY TAX ABATEMENT. That commencing on or after November 1, 2019, or upon written approval by the Department of Commerce and Economic Opportunity of the DeKalb County Enterprise Zone's 2019 Application to Expand, Limit or Repeal Incentives, taxes on real property levied by the **CITY OF DEKALB** shall be abated on property located within the boundary of the Enterprise Zone, as certified by the Department, and upon which new improvements have been constructed according to the criteria and procedures outlined in Section 2, Subsections "B" through "L" found 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) "Memorandum of Understanding" or "MOU" as defined herein is the written agreement between the DeKalb County Enterprise Zone Administrator, on behalf of the Taxing Bodies participating in the DeKalb County 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.
- 2) "Industrial Companies" as defined herein, are enterprises where the manufacturing or assembling of goods takes place.
- 3) "Knowledge-Based Companies" 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, and law. "Knowledge-Based Companies" include companies that construct and/or operate data centers or similar operations involving the storage and distribution of data and related technology applications where data and electronic information is housed, distributed and/or manipulated to foster technology sector innovation, growth and development or other emerging technologies, and accessory uses. Technical training/vocational schools and telemarketing companies are excluded from this definition.
- 4) "Logistic(s) Companies" as defined herein, as warehousing and distribution businesses that are engaged in the storage and packaging of goods and the transfer of products from a point of origin to a point of consumption.
- 5) "Interstate Competition Market" is defined as the geographic area within the boundaries of the DeKalb County Enterprise Zone, located within

3.5 miles in either direction (north or south) of the center median of Interstate 88.

6) "Northern Illinois University (NIU) Research Park Projects" as defined herein, are research and development projects located within the defined boundaries of the **NIU Research Park Area** which support research, investment, and educational goals of NIU and include data centers, research and development facilities, business and innovation incubators, and emerging technologies focused on knowledge-based industries, logistics-based industries and Industrial companies. Private contributions to these research and development projects which result in new or an increased assessed valuation qualify for abatements.

7) "High Impact ICM Manufacturing and Distribution Projects" are defined as projects locating within the Interstate Competition Market (ICM) Area which involve the manufacturing and distribution of products with significant investment and job thresholds. Projects requesting DeKalb County Enterprise Zone property tax abatement under this definition must invest a minimum of \$100 million resulting in the construction of at least 900,000 square feet of new building space and create a minimum of 400 new full-time jobs.

8) "High Impact ICM Knowledge-Based Companies" are defined as Knowledge-Based Companies that undertake projects within the Interstate Competition Market (ICM) Area that are capital and tax revenue intensive and result in high quality technology jobs. Companies requesting DeKalb County Enterprise Zone property tax abatement for projects under this definition must invest a minimum of \$800 million resulting in the construction of at least 900,000 square feet of new building space and create a minimum of 50 new full-time jobs located on the property where project is located. Except as specifically set forth in this Ordinance, the provisions, conditions, and requirements applicable to Knowledge-Based Companies do not apply to High Impact ICM Knowledge-Based Companies, which are subject to the separate provisions, conditions, and requirements that specifically apply to High Impact ICM Knowledge-Based Companies set forth in Sections "2.C.6", "2.F.5", "2.I", and "2.M" of this Ordinance.

B) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in the **NIU Research Park Area** according to the following terms and conditions.

1) NIU Research Park Projects shall construct a minimum of 10,000 square feet of new building construction or must add at least 5,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the

facility. Abatement shall only apply to the increased assessed valuation attributable to said construction or to said addition.

2) The abatements outlined in Section "2.E.1." will be effective after the said build-out, rehabilitation, expansion, renovation or new construction has been completed and will begin following the first full year of a facility's commercial operation. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section "2.M." below.

C) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in the **Interstate Competition Market area** according to the following terms and conditions.

1) Logistics Companies shall construct a minimum of 100,000 square feet for new building construction or must add at least 50,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

2) Industrial Companies shall construct a minimum of 15,000 square feet for new building construction or must add at least 7,500 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

3) Knowledge-Based Companies shall construct a minimum of 10,000 square feet of new building construction or must add at least 5,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

4) The abatements outlined in Section "2.F.1." through Section "2.F.3." will be effective after the said build-out, rehabilitation, expansion, renovation or new construction has been completed and will begin following the first full year of a facility's commercial operation. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section "2.M." below.

5) High Impact ICM Manufacturing and Distribution Companies shall construct a minimum of 900,000 square feet of new building space and must

also invest at least a minimum of \$100 million. Abatement shall only apply to the increased assessed valuation attributable to said new construction.

6) High Impact ICM Knowledge-Based Companies shall construct a minimum of 900,000 square feet of new building space and must also invest at least a minimum of \$800 million. Abatement shall only apply to the increased assessed valuation attributable to said new construction.

7) The abatements outlined in Section "2.F.4." through Section "2.F.5." will be effective after new improvements, or phases of new improvements, have been constructed in whole or in part and the property upon which such improvements have been constructed has been reassessed to reflect the value of those improvements. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section "2.M." below.

D) DeKalb County Enterprise Zone property tax abatement shall be available for companies meeting the following criteria in areas **outside of the Interstate Competition Market area** according to the following terms and conditions.

1) Logistics Companies shall construct a minimum of 10,000 square feet for new building construction or must add at least 5,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

2) Industrial Companies shall construct a minimum of 10,000 square feet for new building construction or must add at least 5,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

3) Knowledge-Based Companies shall construct a minimum of 10,000 square feet of new building construction or must add at least 5,000 square feet to the size of an existing building. Construction or redesign of existing structures involving interior build-out, renovation or rehabilitation are also eligible to the extent they increase the Equalized Assessed Valuation of the facility. Abatement shall only apply to the increased assessed valuation attributable to said new construction or to said addition.

4) Effective date. The abatements outlined in Section "2.G.1." will be effective after the said build-out rehabilitation, expansion, renovation or new construction has been completed and will begin following the first full year of a facility's commercial operation. Abatements are also contingent upon execution of a Memorandum of Understanding as outlined in Section "2.M." below.

E) Terms of Abatement – NIU Research Park Area.

1) NIU Research Park Companies. The duration for tax abatement, as described in Section "2.B.1." above, shall be for 10 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

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| 1) | For taxes levied in the first year of abatement: | 90% |
| 2) | For taxes levied in the second year of abatement: | 90% |
| 3) | For taxes levied in the third year of abatement: | 80% |
| 4) | For taxes levied in the fourth year of abatement: | 70% |
| 5) | For taxes levied in the fifth year of abatement: | 60% |
| 6) | For taxes levied in the sixth year of abatement: | 40% |
| 7) | For taxes levied in the seventh year of abatement: | 30% |
| 8) | For taxes levied in the eighth year of abatement: | 20% |
| 9) | For taxes levied in the ninth year of abatement: | 10% |
| 10) | For taxes levied in the tenth year of abatement: | 5% |

F) Terms of Abatement – Interstate Competition Market Area.

1) Logistics-based Companies. The duration for tax abatement, as described in Section "2.C.1." above, shall be for 9 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

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| 1) | For taxes levied in the first year of abatement: | 90% |
| 2) | For taxes levied in the second year of abatement: | 80% |
| 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% |
| 6) | For taxes levied in the sixth year of abatement: | 40% |
| 7) | For taxes levied in the seventh year of abatement: | 30% |
| 8) | For taxes levied in the eighth year of abatement: | 20% |
| 9) | For taxes levied in the ninth year of abatement: | 10% |
| 10) | For taxes levied in the tenth year of abatement: | 0% |

2) Industrial Companies. The duration for tax abatement, as described in Section "2.C.2." above, shall be for 9 years or until the expiration,

termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

- 1) For taxes levied in the first year of abatement: 90%
- 2) For taxes levied in the second year of abatement: 80%
- 3) For taxes levied in the third year of abatement: 70%
- 4) For taxes levied in the fourth year of abatement: 60%
- 5) For taxes levied in the fifth year of abatement: 50%
- 6) For taxes levied in the sixth year of abatement: 40%
- 7) For taxes levied in the seventh year of abatement: 30%
- 8) For taxes levied in the eighth year of abatement: 20%
- 9) For taxes levied in the ninth year of abatement: 10%
- 10) For taxes levied in the tenth year of abatement: 0%

3) Knowledge-based Companies. The duration for tax abatement, as described in Section "2.C.3." above, shall be for 10 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

- 1) For taxes levied in the first year of abatement: 90%
- 2) For taxes levied in the second year of abatement: 90%
- 3) For taxes levied in the third year of abatement: 80%
- 4) For taxes levied in the fourth year of abatement: 70%
- 5) For taxes levied in the fifth year of abatement: 60%
- 6) For taxes levied in the sixth year of abatement: 40%
- 7) For taxes levied in the seventh year of abatement: 30%
- 8) For taxes levied in the eighth year of abatement: 20%
- 9) For taxes levied in the ninth year of abatement: 10%
- 10) For taxes levied in the tenth year of abatement: 5%

4) High Impact ICM Manufacturing and Distribution Companies. The duration for tax abatement, as described in Section "2.C.5." above, shall be for 15 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

- 1) For taxes levied in years 1 through 15 of abatement: 50%.

5) High Impact ICM Knowledge-Based Companies. The duration for tax abatement, as described in Section "2.C.6." above, shall be for 20 years for each phase of a project (each a "Phase", as further defined in the Memorandum of Understanding with the DeKalb County Enterprise Zone Administrator required by Section "2.M" of this Ordinance) or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner (provided, however, that: (a) if the Enterprise Zone Board (created pursuant to Section 5.2.1 of the Enterprise Zone Act,

20 ILCS 655/5.2.1) extends the initial term of the DeKalb County Enterprise Zone by granting an additional 10-year designation pursuant to Section 5.3(c) of the Enterprise Zone Act, 20 ILCS 655/5.3(c), any 20-year tax abatement for a High Impact ICM Knowledge-Based Company that has not expired for any Phase shall remain in full force and effect until the sooner to occur of: (i) the expiration of the term of the 20-year tax abatement for that Phase; or (ii) the expiration of the term of the additional 10-year designation; and (b) if the term of the DeKalb County Enterprise Zone (whether or not the initial term is extended by the Enterprise Zone Board pursuant to Section 5.3(c) of the Enterprise Zone Act, 20 ILCS 655/5.3(c)) expires or terminates before the expiration of any 20-year tax abatement for a High Impact ICM Knowledge-Based Company for any Phase, and the City of DeKalb designates, alone or with other designating units of government, a new enterprise zone (the "New Zone") pursuant to the Enterprise Zone Act that includes the land on which any Phase is located, the City of DeKalb will use all reasonable, good faith efforts to: (i) encourage the designating ordinance of the New Zone to authorize an abatement for each Phase for a term equal to the number of years remaining in the term of the 20-year abatement for each respective Phase and in an annual percentage amount equal to the annual percentage amount of the 20-year abatement (the "True Up Abatement"); (ii) adopt an order granting, and take all other actions legally required to grant, the True Up Abatement with respect to each Phase; and (iii) encourage other taxing districts with jurisdiction over the property on which each Phase is located to honor the True Up Abatement with respect to each Phase) according to the following schedule:

1) For taxes levied in years 1 through 20 of abatement applicable to each phase of the project: 55%.

G) Terms of Abatement – Areas Outside of the Interstate Competition Market Area.

1) Industrial, Logistic(s) and Knowledge-based Companies. The duration for tax abatement, for projects described in Section "2.D.1." through Section "2.D.3" above, shall be for 5 years or until the expiration, termination or decertification of the DeKalb County Enterprise Zone, whichever is sooner, according to the following schedule:

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|----|---|-----|
| 1) | For taxes levied in the first year of abatement: | 90% |
| 2) | For taxes levied in the second year of abatement: | 80% |
| 3) | For taxes levied in the third year of abatement: | 70% |
| 4) | For taxes levied in the fourth year of abatement: | 60% |
| 5) | For taxes levied in the fifth year of abatement: | 50% |

H) Job Creation – NIU Research Park Area

New or expanded projects in the NIU Research Park Area must create one job for every ~~250~~ 350 square feet of office space created in conformance with Sections "2.B.1." above.

Said NIU Research Park projects which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part-time.

The aforementioned employment thresholds shall be achieved within two years of the date of the execution of the abatement and said thresholds must be maintained over the life of the abatement and shall be defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an NIU Research Park development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

I) Job Creation. - Interstate Competition Market Area

New Industrial or Logistic(s) Companies in the Interstate Competition Market Area must create a minimum of 20 full-time, permanent jobs. Industrial or Logistic(s) Companies in the Interstate Competition Market Area that are adding to the size of an existing building, as referenced in Section "2.C.1." and "2.C.2" above, must create a minimum of 10 additional full-time permanent jobs. Industrial or Logistic(s) Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time.

New or expanded Knowledge-based Companies in the Interstate Competition Market Area must create one job for every ~~250~~ 350 square feet of office space created in conformance with Sections "2.C.3." above.

Said Knowledge-based Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time.

The aforementioned employment thresholds shall be achieved within two years of the date of the execution of the abatement and said thresholds must be maintained over the life of the abatement and shall be defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an Industrial, Logistics or Knowledge-based development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

New High Impact ICM Manufacturing and Distribution Companies in the Interstate Competition Market Area must create a minimum of 400 full-time, permanent jobs.

The aforementioned employment thresholds shall be achieved within two years of the date of the execution of the abatement and said thresholds must be maintained over the life of the abatement and shall be defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

New High Impact ICM Knowledge-Based Companies in the Interstate Competition Market Area must create a minimum of 50 full-time, permanent jobs located on the property where the project is located.

The aforementioned employment thresholds shall be achieved within two years after the issuance of a certificate of occupancy by the City of DeKalb for the first phase of the project - and said thresholds must be maintained over the life of the abatement and shall be further defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

J) Job Creation. - Outside of the Interstate Competition Market Area

New Industrial or Logistic(s) Companies in areas outside of the Interstate Competition Market Area must create a minimum of 20 full-time permanent jobs. For Industrial and Logistic(s) Companies in areas outside of the Interstate Competition Market Area that are adding to the size of an existing

building, as referenced in Section "2.D.1." and "2.D.2" above, must create a minimum of 10 additional full-time permanent jobs. Industrial or Logistic(s) Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time.

New or expanded Knowledge-based Companies in areas outside the Interstate Competition Market must create one job for every ~~250~~ 350 square feet of office space created in conformance with Sections "2.D.3." above.

Said Knowledge-based Companies which are expanding shall provide the DeKalb County Enterprise Zone Administrator, as part of its abatement application, with the number of existing employees employed at the subject property and whether they are full or part time.

The aforementioned employment thresholds shall be achieved within two years of the date of the execution of the abatement and said thresholds must be maintained over the life of the abatement and shall be defined in the MOU between the DeKalb County Enterprise Zone Administrator and the taxpayer.

SPECULATIVE DEVELOPMENT EXCEPTION: Should an Industrial, Logistics or Knowledge-based development locate in a building developed as a speculative venture by an independent developer, employment threshold requirements may be extended from two years to four years. This exception must be requested by the developer or building owner and approved by the Enterprise Zone Advisory Board and the Zone Administrator prior to initiation of a lease, purchase or lease to purchase agreement being executed between the developer and the lessor and/or employer. All other terms of the abatement program remain as described in the Ordinance and the MOU between the Zone Administrator and the end user and/or owner/developer.

K) **Wage Rates:** Industrial or Logistic(s) Companies must pay an average wage, at the subject property, equal to 140% of the State of Illinois minimum wage requirement in effect on January 1 of each calendar year. Starting wages shall not be less than 120% of the State of Illinois minimum wage in effect on January 1 of each calendar year. Wages may not fall below these thresholds for the life of the Enterprise Zone abatement period.

Knowledge-based Companies must pay an average wage, at the subject property, equal to 160% of the State of Illinois minimum wage requirement in effect on January 1 of each calendar year. Starting wages shall not be less than 120% of the State of Illinois minimum wage in effect on January 1

of each calendar year. Wages may not fall below these thresholds for the life of the Enterprise Zone abatement period.

NIU Research Park Companies/projects have no wage rate requirements other than those mandated by the state of Illinois.

L) Regulatory and Legal Compliance. The Companies receiving DeKalb County 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 finds by any governmental agency or court.

M) Entities meeting qualification criteria outlined in Sections "2.B." through "2. L." above must enter into a Memorandum of Understanding with the DeKalb County Enterprise Zone Administrator. The MOU must outline projected job creation and/or job retention, wage rates and capital investment for the eligible Industrial, Logistics and Knowledge-based projects **as well as eligible High Impact ICM Manufacturing and Distribution and High Impact ICM Knowledge-based projects**. The said Administrator is hereby authorized to enter such agreements on behalf of the DeKalb County Enterprise Zone.

1. Entities receiving property tax abatement for eligible Industrial, Logistics, Knowledge-based, NIU Research Park **and High Impact ICM Manufacturing and Distribution and High Impact ICM Knowledge-based projects** agree to maintain a minimum of 95% of the employment level at that location, as described in the Memorandum of Understanding, for the term of abatement.

Should employment levels drop to between 95% and 50% of the project employment level agreed to at that location as described in the Memorandum of Understanding, a pro-rata reduction of the applicable abatement will be implemented for the next tax year or until employment levels return to the levels agreed in the MOU.

Should employment levels drop below 50% of the of the project employment level agreed to at that location as described in the Memorandum of Understanding, abatement shall be terminated for that tax year or until employment levels return to the agreed levels in the MOU.

At the discretion of the Enterprise Zone Administrator, with the advice and consent of the Enterprise Zone Advisory Board, failure to maintain a minimum of 50% of the employment levels during the agreement period 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.

2. The Administrator of the DeKalb County Enterprise Zone will annually monitor the performance of the eligible recipients of property tax abatement in order to ensure that job, wage and investment projections outlined in the Memorandum of Understanding are being met.

3. The Administrator of the DeKalb County Enterprise Zone, with the advice and consent of the Enterprise Zone Advisory Board, may elect to waive enforcement of any performance measures outlined in the Memorandum of Understanding based on a finding that 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 ~~resolution-ordinance~~, all incentives general abatements and benefits previously offered and in effect within the boundaries of the **CITY OF DEKALB** shall continue for the term of the newly designated DeKalb County Enterprise Zone for the following groups:

a. Business enterprises which are receiving general property tax abatement benefits or incentives in the CITY OF DEKALB on the effective date of this ~~resolution ordinance~~;

b. Business enterprises or expansions which are proposed or under development on the effective date of this designating ordinance, if the business enterprise demonstrates that the proposed business enterprise or expansion has been committed to locating or expanding in the Zone;

c. 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 as described in Section 4.a. and 4.b. above."

SECTION 3: EFFECT OF AMENDMENTS. Except as specifically amended by this Ordinance, the provisions of the Designating Ordinances shall remain in full force and effect.

SECTION 4: SEVERABILITY. If any provisions of this Ordinance shall be held to be invalid by a court or other authority of competent jurisdiction, such provisions shall be disregarded and, to the fullest extent feasible and permitted under applicable law, the remaining provisions of this Ordinance shall remain in full force and effect.

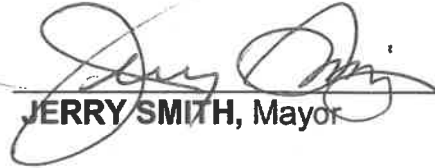
SECTION 5: EFFECTIVE DATE. The terms of this Ordinance shall become effective upon the passage and approval of this Ordinance in accordance with law and the issuance by the DCEO of an amended certificate with respect to the Zone and the Designating Ordinances.

ADOPTED BY THE CITY COUNCIL of the City of DeKalb, Illinois at a Regular meeting thereof held on the 13th day of January 2020 and approved by me as Mayor on the same day. Passed on First Reading by an 8-0 roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: None. Second Reading waived by an 8-0 roll call vote. Aye: Morris, Finucane, Smith, Perkins, McAdams, Verbic, Faivre, Mayor Smith. Nay: None.

ATTEST:



RUTH A. SCOTT
Executive Assistant



JERRY SMITH, Mayor



**Illinois
Department of Commerce
& Economic Opportunity**

JB Pritzker, Governor

CERTIFICATION

Pursuant to 20 ILCS 655/5.4 of the "Enterprise Zone Act", as amended, the Department of Commerce and Economic Opportunity hereby certifies the attached Ordinances that adds territory and provides modification and revision to the Property Tax Incentives of the Dekalb County Enterprise Zone.

This certification is effective on and after execution of this certification by the Director of the Department of Commerce and Economic Opportunity or designee.

ATTEST:

A handwritten signature in dark ink, appearing to read "Erin B. Guthrie", written over a horizontal line.

Erin B. Guthrie

Director

Illinois Department of Commerce
and Economic Opportunity

3/16/2020

Date

DekalbCounty_2020_03_08_TA_2138