

**AMENDED  
INTERGOVERNMENTAL AGREEMENT AMONG THE COUNTY OF BOONE, CITY OF  
BELVIDERE, THE VILLAGE OF CAPRON AND THE VILLAGE OF POPLAR GROVE  
ILLINOIS FOR THE CREATION  
AND ADMINISTRATION OF AN ENTERPRISE ZONE**

WHEREAS, Public Acts 83-1019a and 97-905 provides for the establishment of Enterprise Zones by cooperative agreements between public entities; and

WHEREAS, the Illinois Constitution, Article 7, Section 10, provides that units of local government may contract among themselves and with other individuals, associations, and corporations in any manner not prohibited by law or ordinance; and

WHEREAS, it is in the best interests of the County of Boone, the Village of Poplar Grove, The Village of Capron and the City of Belvidere, Illinois (hereinafter the EZ Units of Government) to create and administer an Enterprise Zone; and

WHEREAS, in 2014 the EZ Units of Government entered into an Intergovernmental Agreement for the renewal and management of the Enterprise Zone; and

WHEREAS, the EZ Units of Government desire to amend the 2014 Intergovernmental Agreement and their respective designating Enterprise Zone Ordinances to create new levels of incentives to attract new industrial and commercial development.

NOW THEREFORE BE IT AGREED as follows:

- I. The foregoing recitals are incorporated herein.
- II. That EZ Units of Government shall jointly make application for the establishment of an Enterprise Zone as set forth and described in Appendix A attached hereto and made a part hereof.
- III. That the EZ Units of Government shall enact an ordinance establishing the same. The Ordinances shall be in the same form as the ordinance authorizing this Agreement.
- IV. ZONE ADMINISTRATOR: The Mayor, Presidents and County Board Chairman of the EZ Units of Government (the Chief Executive Officers) shall appoint an officer or employee of one of the EZ Units of Government as Zone Administrator. The Chief Executive Officers may also approve any delegate or contract with an outside entity recommended by the Zone Administrator or the Chief Executive Officers to fulfill the duties of the Zone Administrator. Initially, Growth Dimensions for Belvidere and Boone County, Inc. shall be the contractual entity assisting the Zone Administrator. Growth Dimensions shall utilize its civic leadership, technical, and financial resources in providing technical assistance, research, economic program development assistance, and other activities designed to provide information and guidance to the County and City with respect to the operation of the Enterprise Zone, to the development of a comprehensive program of incentives, benefits and other lawful devices to stimulate economic activity within said Zone.

A. The Zone Administrator shall:

1. Be the Chief Executive Officer of the Enterprise Zone;
2. Be authorized to hire and fire personnel for those staff positions established by the EZ Units of Government pursuant to intergovernmental agreement;
3. Be a member of the Enterprise Zone Advisory Committee;
4. Develop and recommend a comprehensive program for the Enterprise Zone.
5. Examine and recommend local incentives, benefits, and programs to accomplish stated objectives, to stimulate economic activity in the Enterprise Zone and to address impediments to capital investment;
6. Recommend necessary legislative and administrative controls for guiding Enterprise Zone development, including planned capital improvements according to the procedures of the appropriate governing body;
7. Coordinate Enterprise Zone activities and program implementation with other departments and department programs of the EZ Units of Government;
8. Act as liaison between the EZ Units of Government and any designated Zone organization, any Federal agency and any local support groups in support of the Enterprise Zone program and plan;
9. Act as liaison between the Enterprise Zone Units of Government and the Department of Commerce and Economic Opportunity; submit such reports to the Department of Commerce and Economic Opportunity as is required by said Department.
10. Act as program manager responsible for the Enterprise Zone's day-to-day operations;

V. The EZ Units of Government agree to establish an Enterprise Zone Advisory Committee, which shall consist of the following members:

County Board Chairman,  
Mayor of the City of Belvidere,  
President of the Village of Poplar Grove  
President of the Village of Capron  
An elected member of Belvidere Community Unit School District 100,  
Boone County Supervisor of Assessments,  
Belvidere-Boone County Planner,  
City of Belvidere Director of Public Works,  
Enterprise Zone Administrator

The Chairman of this Advisory Committee shall be the County Board Chairman for the first year of this agreement. The Chairman shall be succeeded in the second year by the Mayor of the City of Belvidere. The Mayor shall be succeeded in the third year by the President of the Village of Poplar Grove who shall be succeeded in the fourth year by the President of the Village of Capron. The Chief Executive Officers shall thenceforth alternatively succeed each other as Chairman annually.

The Enterprise Zone Advisory Committee will advise the Enterprise Zone Administrator and the Chief Executive Officers regarding policies, programs, and activities of the Enterprise Zone and their impact on the respective local governments.

VI. The EZ Units of Government may utilize each unit's eligibility and resources to make available Community Development Assistance Program Grants, Economic Development Administrative Programs, Small Business Administrative Programs, Workforce Investment Act Assistance, and such other Federal and/or State programs as may be eligible; provided that this section shall not be interpreted as requiring the EZ Units of Government to reduce tax levies or forego the collection of taxes.

VII. Tax abatements and economic incentives requiring the individual action of the EZ Units of Government shall be as follows:

1. Tax Abatements:

The EZ Units of Government shall authorize and direct the County Clerk to abate ad valorem taxes imposed upon real property, located within the Enterprise Zone, upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated, subject to the following conditions:

- a. The improvements or renovations are of the nature and scope for which a building permit is required and has been obtained;
- b. Such abatement shall be allowed only for commercial and industrial property located within the Zone;
- c. Provided further that no abatement shall exceed the following:
  - i. Base Property Tax Abatement Schedule: 80% of the taxes produced by the increase in assessed valuation caused by the improvements to said property in the first year, 60% in the second year, 40% in the third year, 20% in the fourth year.
  - ii. Mid-Level Property Tax Abatement Schedule: For projects that result in greater than \$250,000,000 in total investment and at least 150 new (not pre-existing or replacement) full-time equivalent jobs, a project shall be eligible for an abatement of 100% of the ad valorem property taxes in the first year, followed by 90% in the second year, 80% in the third year, 60% in the fourth year, and 50% in the fifth year. Thereafter, 25% of the ad valorem property taxes shall be abated for an additional period not to exceed five (5) years. In order to qualify for the Mid-Level Property Tax Abatement, the Enterprise Zone Administrator or designee shall require the owner/employer to certify the total number of qualifying FTE positions employed within three (3) years of the issuance of occupancy permits. In the event the owner/employer fails to maintain the required number of positions to qualify for the Mid-Level Property Tax Abatement Schedule, the abatement shall immediately cease. Employment requirements will be tolled for reduced employment caused by: acts of God, riots, war, or pandemic, as determined by the Enterprise Zone Administrator.

- iii. High-Level Property Tax Abatement Schedule: For projects that result in greater than \$800,000,000 in total investment and at least 400 new (not pre-existing or replacement) full-time equivalent jobs, a project shall be eligible for an abatement of 85% of the ad valorem property taxes for a period not to exceed five (5) years. Thereafter, 50% of the ad valorem property taxes shall be abated for an additional period not to exceed five (5) years.

In order to qualify for the High-Level Property Tax Abatement, the Enterprise Zone Administrator or designee shall require the owner/employer to certify the total number of qualifying FTE positions employed within three (3) years of the issuance of occupancy permits. In the event the owner/employer fails to maintain the required number of positions to qualify for the High-Level Property Tax Abatement Schedule, the abatement shall immediately cease. Employment requirements will be tolled for reduced employment caused by: acts of God, riots, war, or pandemic, as determined by the Enterprise Zone Administrator.

- (d) Additional tax abatement incentives for individual industrial taxpayers under the Base Property Tax Abatement Schedule will be available provided that the taxpayers either construct improvements in addition to those for which abatements were granted in paragraph b above, or cause suppliers of said taxpayer to construct new improvements whereby the aggregate sum of said improvements increases the assessed valuation of the real property by \$2,000,000 or fraction thereof. If such increase occurs within the five (5) years from the commencement of the initial abatement, the additional abatement shall be 80% of the taxes produced by the increase in assessed valuation caused by the original improvements to said property in the fifth year, 60% in the sixth year, 40% in the seventh year, and 20% in the eighth year. If a fractional portion of such increase occurs within five (5) years, the above formula shall be adjusted in proportion to the fractional portion of the increase.
- (e) The improvements constructed by the industrial taxpayer, under the Base Property Tax Abatement Schedule, which were in addition to the original improvements granted in the original abatement shall be eligible to receive an abatement for the additional improvements as outlined in paragraph b above.
- (f) Properties located in a Tax Increment Finance District are not eligible for tax abatement so long as said District exists.
- (g) Abatements shall commence the assessment year following the completion of the improvements as described in the abatement plan approved by the Village.
- (h) The Enterprise Zone Administrator shall immediately notify the Village Clerk if the Enterprise Zone Administrator deems a property is no longer eligible for a property tax abatement.

**SALES TAX DEDUCTION:** Each retailer who makes a qualified sale of building materials to be incorporated into real estate in an enterprise zone established by a county or municipality under the Illinois Enterprise Zone Act by remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by this Act. For purposes of this Section, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax

Exemption has been issued by the administrator of the enterprise zone in which the building project is located.

To document the exemption allowed under this Section, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the Administrator of the Belvidere/Boone County Enterprise Zone into which the building materials will be incorporated. The Certificate of Eligibility for Sales Tax Exemption must contain:

- (1) a statement that the building project identified in the Certificate meets all the requirements for the building material exemption contained in the enterprise zone ordinance of the jurisdiction in which the building project is located;
- (2) the location or address of the building project; and
- (3) the signature of the administrator of the enterprise zone in which the building project is located.

In addition, the retailer must obtain certification from the purchaser that contains:

- (1) a statement that the building materials are being purchased for incorporation into real estate located in an Illinois enterprise zone;
- (2) the location or address of the real estate into which the building materials will be incorporated;
- (3) the name of the enterprise zone in which that real estate is located;
- (4) a description of the building materials being purchased; and
- (5) the purchaser's signature and date of purchase.

The deduction allowed by the Act for the sale of building materials may be limited to the extent authorized by ordinance. The ordinance, however, may neither require nor prohibit the purchase of building materials from any retailer or class of retailers in order to qualify for the exemption allowed under this Section.

2. **Reduction of Permit Fees:** In the case of any and all permit fees normally charged or required due to the rehabilitation, expansion or new construction of commercial, industrial, or manufacturing property within the Zone area, the fee charged shall be reduced to the lesser of: a) 50% of the rate of fee in effect on the date that the Enterprise Zone is designated and certified, or b) 50% of the rate of fee normally charged if such fee is enacted subsequent to the designation and certification of the Enterprise Zone. Any reduction in fees as authorized by this Intergovernmental Agreement shall only apply if applicants have supplied the Enterprise Zone Administrator all information as requested by the Illinois Department of Commerce and Economic Opportunity, "Illinois Enterprise Zone Commercial/Industrial Projects Permits Issued" form. The fee reduction provided by this Section includes all fees charged for building, plumbing, electrical, zoning, and sewer permits. The fee reduction provided by this Section shall commence with the first day of the

calendar month following the month in which the Enterprise Zone is designated and certified and shall continue for the term of the Enterprise Zone.

VIII. The initial term of this agreement shall be fifteen(15) years from the date of Certification of the Enterprise Zone by the Department of Commerce and Economic Opportunity, unless terminated sooner by written agreement of the County and City. It shall be extended if the Enterprise Zone Designation is extended by the Enterprise Zone Board pursuant to State Statute.

IX. This agreement may be modified from time to time by written agreement of the parties.

CITY OF BELVIDERE,

COUNTY OF BOONE,

Dated this \_\_\_ day of \_\_\_\_\_, 2023.

Dated this \_\_\_ day of \_\_\_\_ 2023.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
County Board Chairman

ATTEST:

ATTEST:

\_\_\_\_\_  
City Clerk

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

VILLAGE OF POPLAR GROVE

VILLAGE OF CAPRON

Dated this \_\_\_ day of \_\_\_\_\_, 2023.

Dated this \_\_\_ day of \_\_\_\_ 2023.

\_\_\_\_\_  
President

\_\_\_\_\_  
President

ATTEST:

ATTEST:

\_\_\_\_\_  
Village Clerk

\_\_\_\_\_  
Village Clerk