

ORDINANCE NO. 2023-09

**AN ORDINANCE OF THE VILLAGE OF POPLAR GROVE, ILLINOIS AMENDING
ORDINANCE 2014-22A, DESIGNATING AN ENTERPRISE ZONE FOR THE
VILLAGE OF POPLAR GROVE, THE CITY OF BELVIDERE, BOONE COUNTY AND
THE VILLAGE OF CAPRON**

WHEREAS, the Village of Poplar Grove, Illinois is an Illinois Municipal Corporation (hereinafter referred to as the “Village”); and

WHEREAS, the City of Belvidere and Boone County established an Enterprise Zone in December of 1984 pursuant to the Illinois Enterprise Zone Act; and

WHEREAS, the Village, the City of Belvidere, Boone County, and the Village of Capron (collectively the EZ Units of Government) re-adopted and re-authorized the Enterprise Zone in 2014; and

WHEREAS, in furtherance of that, the Village adopted Ordinance 2014-22A designating an Enterprise Zone for the Village, the City of Belvidere, Boone County and the Village of Capron and authorizing the Village President to execute an Intergovernmental Agreement to effectuate implementation of the Enterprise Zone; and

WHEREAS, the EZ Units of Government wish to modify the Enterprise Zone tax abatement schedule to attract additional new industrial and commercial development; and

WHEREAS, on May 18, 2023, the EZ Units of Government conducted a public hearing with the zone area on the question of whether to amend the zone, including, but not limited to, modifications regarding what local plans, tax incentives, and other programs should be established in connection with the zone, and what the boundaries of the zone should be, and that public notice was given in at least one newspaper of general circulation within the zone area not more than 20 days nor less than 5 days before the hearing.

NOW, THEREFORE, be it ordained by the Village President and Village Board of Trustees of the Village of Poplar Grove, Illinois as follows:

Section 1. The foregoing recitals shall be and are hereby incorporated in this Section 1 as if said recitals were fully set forth.

Section 2. Section 7 of Ordinance 2014-22A is amended to read as follows, the remainder of Ordinance 2014-22A shall remain unaffected by this amendment:

Section 7. The Boone County Clerk shall abate ad valorem taxes imposed upon real property located within the Enterprise Zone upon which new 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.

Section 3. An amended intergovernmental agreement attached hereto as Exhibit A and incorporated herein by reference be and hereby is approved and the Village President and the Village Clerk are hereby authorized and directed to execute it and any documents as may be necessary for the implementation of said Agreement, for the making of the required applications to the Department of Commerce and Economic Opportunity and for the provisions of additional information as may be required by said Department.

Section 4. The Village Clerk is hereby authorized to publish this Ordinance in pamphlet form.

Section 5. This Ordinance shall be effective upon its passage by the Village Board, its approval by the Village President, and its publication as provided by law.

PASSED UPON MOTION BY _____

SECONDED BY _____

BY ROLL CALL VOTE THIS _____ DAY OF _____, 2023

AS FOLLOWS:

VOTING "AYE": _____

VOTING "NAY":

ABSENT, ABSTAIN, OTHER

APPROVED _____, 2023

ATTEST:

CLERK

PRESIDENT

EXHIBIT A: INTERGOVERNMENTAL AGREEMENT