

QUAD CITY ENTERPRISE ZONE INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT entered into as of January 1, 2017, by and among the Cities of East Moline, Moline, Rock Island, and Silvis and the Village of Milan and Rock Island County (hereinafter collectively, “Jurisdictions”).

WITNESSETH:

WHEREAS, the State of Illinois has enacted the “Illinois Enterprise Zone Act” 20 ILCS 655/1 *et seq.* (hereinafter referred to as “Act”) to alleviate distressed economic conditions in certain depressed areas; and,

WHEREAS, the health, safety and welfare of the residents of the Jurisdictions are dependent, in part, upon a healthy private sector and its investment within the Quad City Enterprise Zone and the Jurisdictions; and,

WHEREAS, the development, growth and expansion of the private sector is essential for the retention and growth of the tax base of all taxing districts having jurisdiction in the Quad City Enterprise Zone, and the provision of job opportunities for their citizens and therefore a cooperative and continuous partnership between government and private sector is required; and,

WHEREAS, there are certain areas in the Jurisdictions that need the particular attention of government, business and labor to attract private sector investment and directly aid the residents thereof; and,

WHEREAS, the Jurisdictions have determined it to be in their best interests to join together to work cooperatively to provide for the development, growth and expansion of the private sector within the region by means of relaxed government controls and tax incentives made available through the Act; and,

WHEREAS, Article 10 of the Illinois Constitution of 1970 provides that units of local government may contract or otherwise associate among themselves to obtain or share services and to exercise, combine, or transfer any power or function in any manner not prohibited by law; and,

WHEREAS, the Intergovernmental Cooperation Act, 5 ILCS 220/1 *et seq.* provides that any power or powers, privileges or authority which may be exercised by a public agency, may be exercised jointly to the extent no law prohibits such joint exercise of their respective powers, privileges or authority.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN AND IN FURTHER CONSIDERATION OF THE RECITALS HEREIN ABOVE SET FORTH, IT IS HEREBY AGREED BETWEEN THE JURISDICTIONS, AS FOLLOWS:

Section 1. The foregoing preambles are hereby adopted as if fully restated herein.

Section 2. Description. The area legally described on *Exhibit A* attached hereto and made a part hereof and any areas subsequently certified from time to time by the State of Illinois, or its designated agency or department, are hereby designated an Enterprise Zone pursuant to and in accordance with the Act, subject to certification by the State as in the Act provided, and shall be known as the Quad City Enterprise Zone (hereinafter referred to as “*Enterprise Zone*” or “*Zone Area*”). Any future additions of territory to the Quad City Enterprise Zone shall be as permitted by the Act and shall be subject to the terms and conditions of this Agreement.

Section 2. Qualifications as an Enterprise Zone. The Quad City Enterprise Zone and the Jurisdictions 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 further affirm that:

A. The entire area is a contiguous area, and is entirely within the corporate limits of the Jurisdictions.

B. The entire area comprises a minimum of one-half square mile and not more than fifteen (15) square miles in total area.

C. The area, as lying within the corporate boundaries of the Quad City Enterprise Zone, meets at least three (3) of the criteria as listed in as defined in subsection f. of the Illinois Enterprise Zone Act, as amended, (20 ILCS 655/1 *et seq.*) and any additional criteria established by the Illinois Department of Commerce and Economic Opportunity.

D. On November 1, 2016, a public hearing was conducted within the proposed Enterprise Zone on the questions of whether to create the Enterprise Zone, what local plans, tax incentives and other programs should be established in connection with said Enterprise Zone, and what the boundaries thereof should be, and that public notice was given in at least one newspaper of general circulation within the proposed Enterprise Zone, not more than twenty (20) days nor less than five (5) days before the hearing; and,

F. The area meets the qualifications of Section 4 of the Act.

Section 3. Term. The term of the proposed Enterprise Zone shall commence on January 1, 2018 upon designation and certification by the Illinois Department of Commerce and Economic Opportunity (“DCEO”) pursuant to Section 5.3 of the Act, and shall remain in effect

for a period of fifteen (15) calendar years and subject to review after thirteen (13) calendar years for an additional ten-year extension to commence on the first day of the 16th calendar year.

Section 4. Zone Management. Upon designation as an Enterprise Zone by DCEO, a Zone Management Board (ZMB) shall be formed and comprised of the Administrator, Manager or Economic Development Staff of each Village and City, and County member of the Quad City Enterprise Zone.

- A. The ZMB will be the governing body of the Enterprise Zone and will be responsible for all decisions within the Enterprise Zone.
- B. The ZMB shall elect a chairman.
- C. The ZMB will create the position of Zone Administrator (ZA).
- D. The ZMB may create the position of Assistant Zone Administrator (AZA).
- E. The ZMB will select the Zone Administrator, who shall be employed by the County or a municipality which is party to this Agreement.

Section 5. Zone Administration. The ZA will be responsible for the duties and tasks listed below as needed:

- A. Supervise the implementation of the provisions of this Ordinance and the Act.
- B. Act as a liaison between the Quad City Enterprise Zone and DCEO, and any other state, federal, and local agencies whether public or private.
- C. Request a copy of the map/boundaries of the Enterprise Zone on the websites of each member and shall provide an electronic copy of such map to DCEO.
- D. The Zone Administrator shall be responsible to collect and aggregate the following information:
 - (i) The estimated cost of each building project, broken down into labor and materials.

- (ii) Within sixty (60) days of the end of a project, the actual cost of each building project, broken down into labor and materials.
 - (iii) On or before April 1 of each year, file a copy of the ZMB's fee schedule with DCEO. Zone Administrators shall charge no more than 0.5% of the cost of building materials of the project associated with the specific Enterprise Zone, with a maximum fee of not more than \$50,000.
- E. The ZA may select and recommend to the ZMB an individual to be hired as an Assistant Zone Administrator (AZA).
 - F. Conduct an ongoing evaluation of the Enterprise Zone programs and submit such evaluative reports on an annual basis to the ZMB.
 - G. The ZA shall perform such other duties as identified and assigned by the ZMB to effectively implement the goals of the Enterprise Zone, as hereinafter set forth.

Section 6. Enterprise Zone Benefits. Pursuant to the Act, projects submitted and approved by the Zone Management Organization may be eligible for the following benefits:

- A. Sales Tax Credits. Retailers' Occupation Tax; Each retailer who makes a qualified sale of building materials to be incorporated into real estate in the Quad City Enterprise Zone for the purpose of remodeling, rehabilitation or new construction, may deduct receipts from such sales when calculating the tax imposed by the State of Illinois under and pursuant to Retailers' Occupation Tax Act (35 ILCS 120/5k), subject to the following conditions:
 - (i) The municipality/county in the Quad City Enterprise Zone has issued a building or other permit required by any of the applicable codes or ordinances of the municipality/county in the Quad City Enterprise Zone and the total amount of the project as per building or zoning permit exceeds \$20,000;

(ii) The Enterprise Zone Administrator of the Enterprise Zone has issued a certificate of approval, prior to the start of construction, a copy of which is required to be provided to the applicable retailer at the time of sale and maintained by such retailer in its books and records for the purposes of documenting any such deduction;

(iii) The deduction allowed hereby shall be limited to and shall only apply to any remodeling, rehabilitation or new construction of any commercial, industrial, or manufacturing building or structure within the Zone.

B. Permit Fees. In the case of any and all permit fees required and charged by the Cities of East Moline and Silvis and the Village of Milan for the rehabilitation, expansion or new construction of any commercial, industrial, manufacturing or community development assisted projects within the Zone Area, such permit fees (but not the permits themselves) shall be waived in their entirety. The permit fee waiver herein provided for shall include all fees charged for building, plumbing, electrical, zoning, demolition, and excavation permits which a building permit is otherwise required and has been obtained for such rehabilitation, expansion or new construction, but shall not include such permit fees charged for the mere repair or replacement of connection with such rehabilitation, expansion, or new construction. "Mere repair or replacement of electrical, plumbing or mechanical systems" for purposes of this Ordinance means electrical, plumbing or mechanical work but no alteration to buildings or parts thereof other than work set forth in the most recent edition of the building code as adopted by the respective local jurisdiction.

C. All other benefits as permitted by the Act and as approved by DCEO and the Zone Management Organization.

Section 7. Assurances. The Quad City Enterprise Zone and the Jurisdictions agree to participate in the Enterprise Zone to the extent outlined in their respective ordinances, this Agreement, the Enterprise Zone application as may be required by DCEO and the Act.

Section 8. Amendment. This Agreement may be amended by a vote of a number equal to one more than a majority of members duly appointed or elected to the Zone Management Organization. A notice and a copy of the proposed amendment must be provided to each member of the Zone Management Board and the Zone Administrator no less than thirty (30) business days prior to the date upon which the proposed amendment is to be acted upon.

Section 9. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers this ____ day of _____, 2017.

Rock Island County, Illinois

By: _____
Chairman

Attest:

Board Secretary

City of East Moline, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Moline, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Rock Island, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

City of Silvis, Illinois, a municipal corporation

By: _____
Mayor

Attest:

City Clerk

Village of Milan, Illinois, a municipal corporation

By: _____
Village President

Attest:

Village Clerk