

ORDINANCE NO. 2462

AN ORDINANCE
ESTABLISHING A NEW ENTERPRISE ZONE IN AND
FOR THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS

WHEREAS, the State of Illinois Enterprise Zone Act (20 ILCS 655/1 et seq.), as supplemented and amended (the “Act”) explores ways and means of stimulating business and industrial growth and retention in depressed areas, and stimulating neighborhood revitalization of depressed areas of the State of Illinois by means of relaxed government controls and tax incentives in those areas; and

WHEREAS, the Village of Rantoul, Champaign County, Illinois, an municipal corporation and home rule unit of municipal government (the “Municipality”) desires to enact a new enterprise zone for the purpose of stimulating economic growth and neighborhood revitalization in economically depressed areas; and

WHEREAS, the Act provides the mechanisms and incentives for addressing commercial, industrial and manufacturing areas that undergo development and redevelopment; and

WHEREAS, the Municipality recognizes that local economic development, business retention and expansion, neighborhood revitalization, employment retention and creation will benefit the Municipality and its residents; and

WHEREAS, the Act was recently amended to require all existing enterprise zones to expire, and any interested community must apply and compete for a new designation as an enterprise zone; and

WHEREAS, the Act requires the Municipality to pass an ordinance establishing a new enterprise zone prior to applying to the State of Illinois Department of Commerce and Economic Opportunity (the “Department”) for certification of such new Enterprise Zone; and

WHEREAS, the application for certification of a new enterprise zone must be submitted by December 31, 2015 in order to be considered for approval in 2016.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, as follows:

Section 1. Incorporation by Reference. That the matters set forth above in the recitals and preambles to this ordinance are true, correct and complete and are hereby incorporated herein in their entirety by this reference thereto.

Section 2. Designation and Description of Zone Area. The Municipality hereby establishes an enterprise zone as defined in the Act (the “Enterprise Zone”) pursuant to the authority granted to the Municipality by the Act and the approval by the Department. The boundaries of the Enterprise Zone, which establish the “Zone Area”, are those set forth on the map and legal description attached hereto and incorporated by reference herein, marked **Exhibit A.**

Section 3. Findings. The Municipality hereby makes the following findings as a basis for determining that the Enterprise Zone established by this ordinance qualifies as an “Enterprise Zone” in accordance with the provisions of the Act:

- (a) That following due and sufficient public notice was published in *The Rantoul Press*, a newspaper of general circulation within the area of the Enterprise Zone on November 11, 2015, and a public hearing concerning the Enterprise Zone was conducted on November 19, 2015 in the Board Room of the Municipal Building, 333 S. Tanner Street, Rantoul, Illinois, which address is located within the Enterprise Zone established herein.
- (b) The Enterprise Zone is a contiguous area;
- (c) The Enterprise Zone comprises a minimum of one-half square mile and not more than twelve square miles in total area;
- (d) The Enterprise Zone satisfies at least three of the tests for eligibility as set forth in the Act for designation as an Enterprise Zone; and
- (e) The Enterprise Zone addresses a reasonable need to encompass areas within the Municipality.

Section 4. Term and Effect. The term of the Enterprise Zone shall commence on January 1, 2018 or such other date as certified by the Department pursuant to the Act, and shall terminate at midnight on December 31 of the 15th year after the year in which the Enterprise Zone is certified, unless otherwise provided for by the Department or if the Enterprise Zone is earlier decertified in accordance with the Act.

Section 5. Definitions. Certain terms used in this ordinance are hereinafter defined in this Section. When used in this ordinance, such terms shall have the meanings given to them by the definitions in this section defining such terms, unless the context clearly indicates otherwise.

- (a) *Equalized Assessed Valuation* or (“EAV”) shall mean a ratio of total assessed value for properties in a community to those properties’ true market values. This number represents the state or locality’s judgment of how closely assessed values match the market value. This amount is multiplied by the current tax rate to determine the total taxes owed on an individual parcel. This number generally represents 33.33% of the “Fair Market Value” as determined by the Champaign County Assessor.
- (b) *Expansion* shall mean the act of adding on to or enlarging an existing building.
- (c) *Legitimate building materials retailer and/or distributor* shall mean any firm selling building materials that can be incorporated into real estate and possessing a tax number for resale from the Illinois Department of Revenue.
- (d) *Project* shall mean the improvement of a parcel or parcels of real property located within the Enterprise Zone, including the construction of new improvements or expansion or rehabilitation of existing improvements.
- (e) *Rehabilitation* shall mean the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historical or architectural values.
- (f) *Remodeling* shall mean any improvement to the exterior or interior of an existing building which requires a building-related permit and which is not new construction, a structural alteration or an expansion.

Section 6. Incentives and Benefits Offered in the Zone Area. Following designation of the Enterprise Zone by the Department, the Municipality, in an effort to facilitate the successful development of the Enterprise Zone, hereby establish the following incentives within the Enterprise Zone for the period of the Enterprise Zone:

- (a) *Real estate tax abatement.* That portion of real property taxes levied and imposed by the Municipality upon a parcel or parcels of real estate located within the Enterprise Zone and upon which there has been the construction of new improvements or upon which there has been an expansion, rehabilitation or remodeling of existing improvements shall be abated; provided, however, that any abatement of taxes on any parcel or parcels within any redevelopment project area created pursuant to the Real Property Tax Increment Allocation Redevelopment Act (the “TIF Act”) shall not be eligible for abatement under this subsection (a); and, provided further, that any abatement of taxes on any parcel or parcels shall not exceed an amount determined in accordance with the following provisions and shall be limited to the following projects:

Commercial, Industrial and Manufacturing Projects. New, expanded, rehabilitated or remodeled commercial (i.e., retail or service businesses) projects and new, expanded, rehabilitated or remodeled industrial or manufacturing projects shall receive abatement of one hundred (100) percent of the total increased EAV on the parcel or parcels for a period of five (5) years. A minimum of \$200,000 in improvement costs (\$6,667 of EAV) is required to be eligible for this abatement. Mixed-use projects shall only be eligible if at least 50% of the building square footage is dedicated to a commercial, industrial or manufacturing use.

- (b) *Sales tax exemption.* The Municipality hereby authorizes claims for point-of-sale exemption of the Municipality’s share of the Illinois Retailers’ Occupation Tax by each retailer whose place of business is located within the Municipality’s corporate limits who makes a sale of building materials to be incorporated into real estate located in the Enterprise Zone for projects eligible for real property tax abatement under this Section. Receipts from such sales may be deducted when calculating the tax imposed pursuant to the Municipal Retailers’ Occupation Tax Act. The incentive provided by this subsection (b) shall commence 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. The provision of this incentive by the Municipality shall automatically invoke the exemption of the State of Illinois on building materials sold and eligible in connection with such sale for exemption in accordance with Section 5k of the Retailers’ Occupation Tax Act (35 ILCS 120/5k), as supplemented and amended.

In order to receive this exemption (which is provided through the building materials retailer), the following criteria must be met:

1. The building materials must be purchased through a legitimate building materials retailer or distributor; and
2. The building materials must be affixed to the real estate; and
3. Only projects that require a building-related permit by the Municipality will be eligible to receive the exemption; and

4. Evidence of the project's location and eligibility within the Zone Area must be presented to the retailer at time of purchase in the form of a certificate of eligibility provided by the Zone Administrator along with a copy of any required building-related permit; and
5. Certificates of eligibility will be valid for twelve (12) months from the date of issuance. Certificates may be extended for an additional period of twelve (12) months upon application to the Zone Administrator. Such extensions shall be granted no more than two (2) times for any one project and are subject to a determination by the Zone Administrator that they are needed to complete the project and are not necessitated by the failure of the applicant to diligently pursue construction; and
6. Within the Enterprise Zone all projects which would normally be required to have a building-related permit will still be required to obtain the appropriate permit.

Section 7. Zone Administration. The Village President of the Municipality shall designate a Zone Administrator to successfully facilitate the management, operation and development of the Enterprise Zone under the provisions of the Act and this ordinance. The Zone Administrator will carry out the functions and management of the Enterprise Zone and shall maintain such records associated with Enterprise Zone activities and projects, including any that may be required for the preparation of reports required by the Act or the Department. The Zone Administrator shall also propose an annual operating budget for the administration of the Enterprise Zone.

Section 8. Designated Zone Organization(s). In order to facilitate the successful development of the Enterprise Zone and in accordance with the Act, this ordinance hereby provides for the establishment of Designated Zone Organization(s) under and by which any or all of the functions provided for in Section 8 of the Act may be carried out. The Designated Zone Organization(s) and any project(s) which it (they) may undertake will be approved in accordance with the provisions of the Act and any rules and regulations promulgated by the Department.

Section 9. Conformance to Codes, Ordinances, and Regulations. No incentive shall be available to any project which is not constructed, used or occupied in conformance with all applicable Municipality codes, ordinances and regulations. Except as otherwise expressly and specifically provided for herein, nothing contained herein shall be construed to waive, abrogate, lessen or weaken the full force, effect and application of all laws, resolutions, codes, regulations and ordinances of the Municipality to any project or any person or property.

Section 10. Violations and Penalties. The following shall constitute violations of the requirements of this ordinance and the penalties for such violations:

- (a) No person shall knowingly misrepresent facts in order to receive tax abatement or other incentives provided for in this ordinance or present a certificate of eligibility for purposes of purchasing building materials to be used on any premises other than on premises for which the certificate was issued. "Facts" include, but are not limited to:
 - (1) The nature of the project use(s); or

(2) Any representation materially affecting the determination of project eligibility or the determination of tax abatement to which the project may be entitled under this ordinance.

(b) In addition to other penalties provided for by law, for the purposes of administration of the Enterprise Zone, the initial determination of any alleged violation set forth in this Section shall be made by the Enterprise Zone Administrator who shall notify the property owner of the alleged violation by certified mail at least fifteen (15) days before any further action is taken. The property owner may, within fifteen (15) days after receipt of the notification, submit a written appeal for review by the Zone Administrator. If the alleged violator fails to appeal the initial determination of violation or if the determination is upheld, the alleged violation will be subject to the following administrative penalties:

- (1) Revocation of any tax abatements provided under the terms of this ordinance.
- (2) Revocation of any certificate of eligibility issued in connection with any project involved in the violation; and
- (3) Loss of eligibility of the subject property for any other incentive or targeted program provided for under this ordinance.

Section 11. Severability. This ordinance and every provision thereof shall be considered separable; and the invalidity of any section, clause, paragraph, sentence or provision of the ordinance shall not affect the validity of any other portion of the ordinance.

This ordinance is hereby passed, the “ayes” and “nays” being called, by the concurrence of a majority of the members of the Corporate Authorities then holding office at a regular meeting on the date set forth below.

PASSED this 8th day of December, 2015.



Village Clerk

APPROVED this 8th day of December, 2015.



Village President

