

**THIRD AMENDED INTERGOVERNMENTAL AGREEMENT
BETWEEN COUNTY OF BOONE, CITY OF BELVIDERE, ILLINOIS
AND GROWTH DIMENSIONS FOR
BELVIDERE AND BOONE COUNTY, INC.**

WHEREAS, Public Act 83-1019 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 and City to create an Enterprise Zone and be assisted in its administration and development by Growth Dimensions for Belvidere and Boone County, Inc;

NOW THEREFORE BE IT AGREED as follows:

I. That the County of Boone and the City of Belvidere 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.

II. That the City and County shall enact an ordinance establishing the same, which ordinances shall be in the form as set forth in Appendices B and C attached hereto and made a part hereof.

III. That the City and County shall employ Growth Dimensions for Belvidere and Boone County, Inc. which said Corporation 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.

IV. That the Board of Directors of Growth Dimensions shall recommend a person to fill the office of Zone Administrator, and the City shall within 45 days of said recommendation, act upon said recommendation. If said person is approved by a majority vote of the City Council, he/she shall be appointed Zone Administrator. If said person is not approved, the City Council shall within 30 days appoint another person Zone Administrator. In the event that Growth Dimensions withdraws from this agreement, the Zone Administrator shall be appointed by the City Council. Upon appointment, the Zone Administrator shall be deemed a City employee and shall serve in said capacity for a two year term, unless and until he resigns or is removed by the City Council. Upon expiration of the term of office, the person holding office may be reappointed to a successive term by the City Council.

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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 City 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 City and County departments and department programs;
8. Act as liaison between the City and County 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. That the City and County agree to establish an Enterprise Zone Advisory Committee, which shall consist of the following members:

County Board Chairman,
Mayor of the City of Belvidere,

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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,

Chairmen of the following Committees of Growth Dimensions:

Industrial Development Committee
Commercial Development Committee
Enterprise Zone Administrator

The Chairman of this Advisory Committee shall be the County Board Chairman for the first year of this agreement. He shall be succeeded in the second year by the Mayor of the City of Belvidere. The County Board Chairman and the Mayor shall thenceforth alternatively succeed each other as Chairman annually.

The Enterprise Zone Advisory Committee will advise the Enterprise Zone Administrator and Growth Dimensions and its economic development committees regarding policies, programs, and activities of the Enterprise Zone and their impact on the respective local governments.

VI. That the City and County 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 City or County to reduce tax levies or forego the collection of taxes.

VII. Tax abatements and economic incentives requiring the individual action of the County or City shall be as follows:

1. Tax Abatements:

The City of Belvidere and Boone County 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 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.

- d. Additional tax abatement incentives for individual industrial taxpayers will be available provided that the taxpayer either constructs improvements in addition to those for which abatements were granted in paragraph b above, or causes suppliers of said taxpayer to construct new improvements whereby the aggregate sum of said improvements increases the assessed valuation of the real property located in the Enterprise Zone by \$2,000,000.00 or fraction thereof. If such increase occurs within five 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 years, the above formula shall be adjusted in proportion to the fractional portion of the increase.
- e. The improvements constructed by the industrial taxpayer 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 County.
- h. Provided that said property tax will not extend past the termination date of July 1, 2015.

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 term of this agreement shall be thirty 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.

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Growth Dimensions may withdraw as a party to this agreement after written notice given to the other parties at least 45 days prior to withdrawal.

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

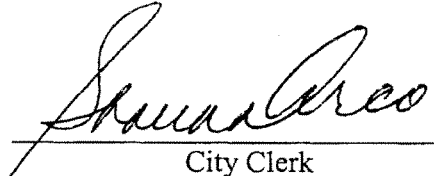
CITY OF BELVIDERE,

Dated this 8th day of June, 2004.



Mayor

ATTEST:



City Clerk

COUNTY OF BOONE,

Dated this 12th day of May, 2004.



County Board Chairman

ATTEST:



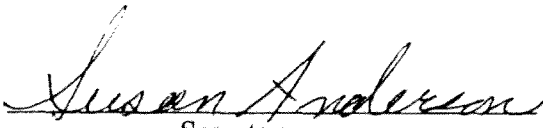
County Clerk

GROWTH DIMENSIONS FOR BELVIDERE AND BOONE COUNTY, INC.



President

ATTEST:



Secretary