



**Legislative & Policy Committee
Resolution #09-113**

**RESOLUTION
RE: ABATEMENT GUIDELINES FOR
LOCATION AND RETENTION
OF COMMERCIAL AND INDUSTRIAL BUSINESSES**

WHEREAS, 35 ILCS 200/18-165 provides that:

“Any taxing district, upon majority vote of its governing authority may, after the determination of the assessed valuation of its property, order the Clerk of the County to abate any portion of its taxes on the following types of property:

(1) Commercial and Industrial.

- (a) The property of any commercial or industrial firm including, but not limited to the property of any firm that is used for collecting, separating, storing, or processing recyclable materials, locating within the taxing district during the immediately preceding calendar year from another state, territory, or country, or having been newly created within this State during the immediately preceding calendar year, or expanding an existing facility. The abatement shall not exceed a period of ten (10) years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$3,000,000; or
- (b) The property of any commercial or industrial development of at least 500 acres having been created within the taxing district. The abatement shall not exceed a period of 20 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$12,000,000”, and

WHEREAS, the Will County Board has determined such abatement of taxes to be in the best interests of its citizens in order to encourage commercials or industrial firms to locate within the County and increase the County’s tax base and increase employment opportunities within the County, and

WHEREAS, in 1989, in order to determine the types of property tax abatements available and process by which to grant such to companies, the Will County Board adopted Abatement Guidelines for Location and Retention of Commercial and Industrial Businesses, and

WHEREAS, due to the influx of growth and development in Will County, the Will County Board Finance Committee, in cooperation with the Will County Chamber/Center

for Economic Development, has reviewed and amended such guidelines, as incorporated herein, and

WHEREAS, pursuant to the aforementioned statutory authority, such abatements are from the Will County levy portion of the company's total tax bill, excluding taxes levied and extended on behalf of the County for the retirement or principal and interest on the bonded indebtedness of the County; or other purposes excluded by law.

NOW, THEREFORE, BE IT RESOLVED BY THE WILL COUNTY BOARD, that the Tax Abatement Guidelines for Location and Retention of Commercial and Industrial Businesses in Will County be adopted as follows:

1) ABATEMENT GUIDELINES

- A. All abatements shall be construed in accordance with and governed by the laws of the State of Illinois.
- B. The company must agree to stay in Will County twice as long as the length of their abatement. If this does not occur, the company is required to repay the abatement to Will County.
- C. Term of Abatement
 - 1) The term of abatement shall be determined on a case by case basis by the Finance Committee of the Will County Board, pursuant to State Law, and
 - 2) Companies applying for a Will County tax abatement must demonstrate that they have initiated the abatement/incentive process with other local taxing bodies. Although the County requires that local incentives be formally agreed to prior to approval and execution of the County's Agreement of Intent to Abate Property Taxes, the County may, on a case-by-case basis, grant approval for a project notwithstanding the absence of the other local incentives. Final approval by the County would be granted after the company notified the County that an abatement or incentive was awarded by other taxing bodies. If the request for an abatement or incentive from other taxing bodies is denied, the County would review the abatement request, and, on a case-by-case basis, make a final determination.
- D. Abatements are prohibited for residential construction or improvements, pursuant to 35 ILCS 200/18-165 et.seq.

- E. Abatements shall begin in the tax levy year that the project is substantially completed, and the Subject Property is fully assessed as improved property by the Township Assessor as indicated by the records of the Township Assessor. It shall be the obligation of the applicant to notify the Will County Executive and the County Extension Office when an occupancy permit has been issued for the improved premises which are the subject of the Abatement.
- F. Taxes may be abated on existing facilities which are in the process of a retention/expansion project if the project qualifies under the CED evaluation criteria; Existing businesses that have been located in Will County for a minimum of five years will be given a 20% bonus in the point evaluation of the project.
The facility will continue to operate in Will County for a period of not less than twice the period of the abatement and must repay the abatement to the County if it fails to comply with this requirement.
- G. Businesses that qualify as Will County Target Industries will be given a 20% bonus in the point evaluation of the project; The U.S. Corporate Headquarters of a non-target industry category will be given a 20% bonus; however, the U.S. Corporate Headquarters of a target industry business will be given a 30% bonus in the point evaluation of the project.
- H. If the project is for a warehouse and distribution user only, the project must meet 120% of the minimum evaluation criteria to be eligible for abatement. In addition the project must employ a minimum of 125 FTE throughout the year.
- I. Residential projects are not eligible for abatements; however, multi-use projects with a residential component are eligible for abatement, if the residential tax portion of the tax levy can be excluded from the abatement
- J. The "Application to County of Will for Tax Abatement" will include a request for information on the company's philosophy on community involvement and specific examples of how they have given back to communities at other company facilities. Final evaluation of the abatement request and the terms and conditions of the abatement, at the discretion of the County Board may be influenced by the review of this information.
- K. There shall be employed, either directly or indirectly, at all times during construction covered by the agreement, a minimum of seventy-five percent (75%) *local (Will County) labor at the prevailing wage from Will County, Illinois*, for construction, from the beginning to the completion of said construction covered by the abatement, unless good cause is shown.

- L. Does the company have a plan or policies intended to promote growth and development of minority employment, and minority/women business enterprises that have the work ethic and desire to succeed? If so, please cite your plans, policies, and practices regarding this project.
- M. Require the contractor and all subcontractors to participate in apprenticeship and training programs approved and registered with the United States Department of Labor's Bureau of Apprenticeship and Training, or any successor entity, to the extent that such programs are reasonably available within the contractor's or subcontractor's employees' trade or trades.

2) ABATEMENT PROCEDURE

- A. A completed *Application to County of Will for Tax Abatement* must be submitted to the Will County Center for Economic Development (CED). Upon receipt of the completed application the CED shall evaluate the request pursuant to the abatement criteria in effect at the time of application. The CED will then submit the application to the Will County Executive for review and recommendation prior to consideration by the Will County Board.
- B. Qualified requests shall then be presented to the Finance Committee for review and recommendation to the Executive Committee, for placement of a *Resolution of Intent to Abate* on the Will County Board agenda for consideration. The Will County Board grants final approval on a case-by-case basis; at which time, the name of the company will become public.
- C. Upon approval of the Resolution of Intent to Abate, and execution of the Resolution by the County Executive, the *Agreement of Intent to Abate Property Taxes*, shall be forwarded to the company by the County Board Office. Such Agreement shall be executed by the company first, and returned to the County for execution by the Will County Executive.
- D. Upon notification of the County by the company that the project is completed, a *Resolution for the Abatement of Property Taxes*, shall be presented to the Finance Committee, for review and recommendation to the Executive Committee, for placement on the Will County Board agenda for consideration.
- E. After approval of the Resolution for the Abatement of Property Taxes and execution by the Will County Executive, certified copies shall be delivered to the company, as well as the Will County Clerk – Tax Extension Office, the Will County Supervisor of Assessments Office, and the CED.

3) ADMINISTRATION/REPORTING

- A. The Will County Chamber/Center for Economic Development agrees to track all abatements granted, excluding those in the DesPlaines River Valley Enterprise Zone, for compliance with all requirements and agreements. The Zone abatements fall under a different set of guidelines, which are monitored by the Zone Administrator.
- B. The CED also agrees to make an annual written report to the Will County Board Finance Committee, during the month of August.

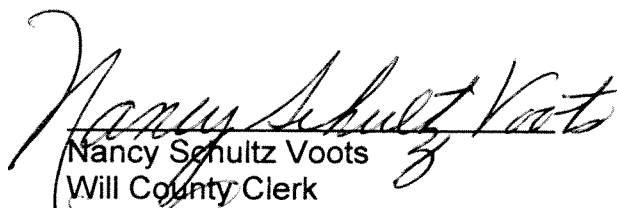
4) TERMINATION OF ABATEMENT

- A. The obligation of the County to abate taxes herein shall be terminated upon the occurrence of any of the following:
 - 1) The insolvency of the Business (owner), but only in the event the insolvency causes the Subject Property to cease operations.
 - 2) Except as provided in the Agreement of Intent to Abate Property Taxes, the sale of the subject property or assignment of the Tax Abatement Agreement.
 - 3) The construction of residential improvements on the Subject Property, provided, however, that in the event said residential improvements are identified by separate Permanent Index Numbers (PIN), the cancellation of the abatement shall apply only to the abatement attributable to those PIN numbers so identified.
 - 4) If there is a material misrepresentation in the company's application.
 - 5) On the happening of any of the prohibited acts specified in the Agreement of Intent to Abate Property Taxes.
- B. In the event that any of the following events occur, abatement previously granted shall be repaid to the County to the extent the prohibited acts prevent the County from collecting unabated taxes as projected by this Agreement according to the provisions set forth herein:
 - 1) The company files tax rate objections or otherwise challenges the rate of taxes levied by and extended by the County during a period of time commencing on the date of the Agreement and concluding on December 31st of the year in which the last abatement provided for is realized.

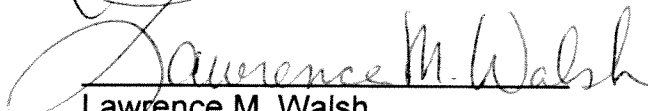
- 2) Except as provided in the Agreement of Intent to Abate Property Taxes, if there is an assignment of this Agreement and the Subject Property ceases to be operated as originally intended.
- C. The Agreement and obligations of the County shall terminate in the event that the project is not fully constructed and operational, as proposed, within three (3) years of the date of the Agreement of Intent to Abate Property Taxes.

Adopted by the Will County Board this 16th day of April, 2009.

Vote: Yes 21 No 0 Pass _____ (SEAL)


Nancy Schultz Voots
Will County Clerk

Approved this 23rd day of April, 2009.


Lawrence M. Walsh
Will County Executive