



WHITESIDE COUNTY

ENTERPRISE ZONE & ECONOMIC DEVELOPMENT

Serving EZone Properties in Carroll and Whiteside Counties

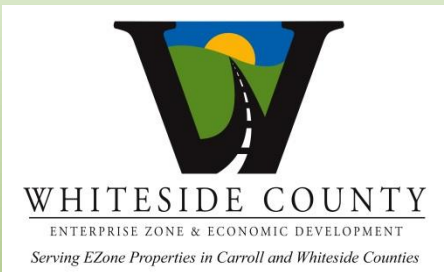
Illinois Enterprise Zone Program Changes and New Zone Application Process

Blackhawk Hills Regional Planning
Spring Symposium
April 24, 2015



Illinois Enterprise Zones

- Legislation was passed in 2013 to create the new Enterprise Zone Act which included program changes in how to apply for a new zone and how sales tax certificates are issued and implemented business reporting to IDOR
- No extensions of zones allowed as in the past
- No increase in number of zones, stays at 97
- Ten new statutory criteria to qualify as an enterprise zone with old criteria being deleted from Act
- Created and Appointed, by Governor, **Enterprise Zone Board** to approve or deny enterprise zone applications (not DCEO itself)
- DCEO scores applications, but EZ Board makes ultimate decision



Enterprise Zone Act (part 2)

- There was an automatic extension of otherwise expiring enterprise zones that were expiring before July 1, 2016
- 15-year term for new enterprise zones with a review by the Enterprise Zone Board “after 13 years for an additional 10-year designation”
- Fees capped and a fee schedule must be filed with DCEO by “April 1 of each year”
- Reporting to IL Dept. of Revenue by businesses

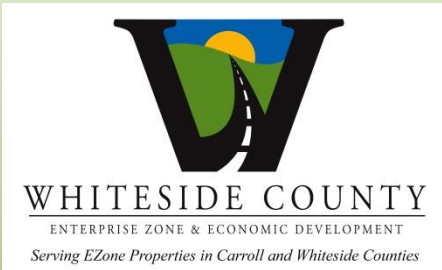


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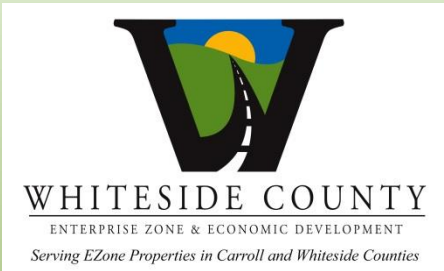
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Applying for a New Zone And Who May Apply



Who is Eligible?

- A municipality or county may qualify an area for designation and joint applications are allowed
- Zones DO NOT apply – cities and counties apply
- Must meet 3 of the 10 criteria
 - Communities with existing zone can apply even if their zone has not yet expired
 - Those without existing zones may apply
- May apply in subsequent rounds if not chosen in first round



Enterprise Zone Board

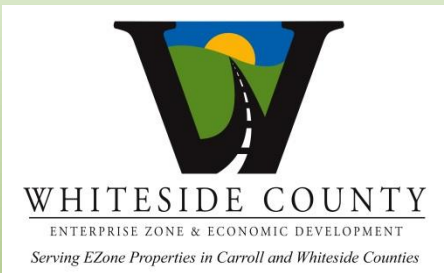
- Five-member Board
 - Chaired by Director of DCEO - James Schultz (or designee)
 - Director of IL Dept. of Revenue – Constance Beard (or designee)
 - Three members appointed by Governor and confirmed by the State Senate
- Must have “at least 5 years of experience in business, economic development, or site location”
- One from Cook County, one from the collar counties, and one from the rest of the state
- Board has been appointed but not confirmed by the Senate yet



Enterprise Zone Board (2)

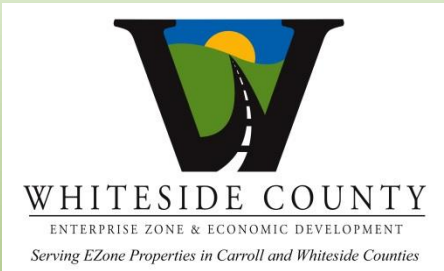
Governor Bruce Rauner made the following appointments to the Illinois Enterprise Zone Board, on March 31, 2015,
(as of this date these have not been confirmed by the State Senate)

- **Jovita Carranza:** Carranza of Skokie has extensive experience developing businesses in both the public and private sectors.
- **Lawrence W. Falbe:** Falbe of Mettawa has 20 years of experience in site selection and environmental law making him uniquely qualified for the position.
- **Larry Ivory:** Ivory of Peoria has experience as a member of the Business Enterprise Program Council and his business background making him qualified for the position.



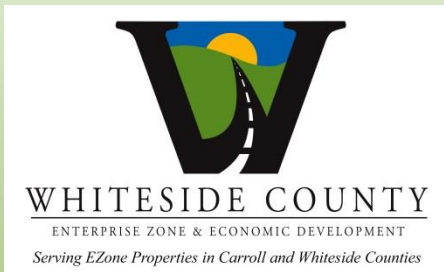
What Zones Are Available?

- 97 Enterprise Zones with 5 Rivers Edge Zones will also be available far in the future as they will turn into Enterprise Zones upon their expiration
- Applications accepted for expiring zones 2 years prior to the expiration of an existing zone
- The first round were required to apply in December 31, 2014 and designation by September of 2015 – Up to 49 zones will be designated by the Enterprise Zone Board



Deadlines & Process

- Applications were due to DCEO's Springfield office on or before December 31, 2014, not just postmarked, electronic versions were also required
- DCEO is in the process of scoring the 67 applications received for the 49 openings, DCEO must submit to the Enterprise Zone Board on or before June 30, 2015
- The Enterprise Zone Board will approve or deny applications on or before September 30, 2015
- New Zones will be effective on January 1, 2016



Assistance from NIU CGS

- DCEO contracted with Northern Illinois University's Center for Governmental Studies to provide technical assistance for last years submittals. DCEO has updated that contract for two more years.
- Website to assist in defining LLMA, pulling together data needed for criteria, FAQ, etc. is: *www.enterprisezonesillinois.com*

Contact : Sherrie J. Taylor, Research Associate
State Data Center Network Coordinating Agency
Center for Governmental Studies
Northern Illinois University
815-753-0925
taylor@niu.edu

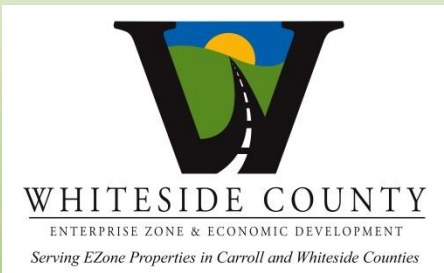


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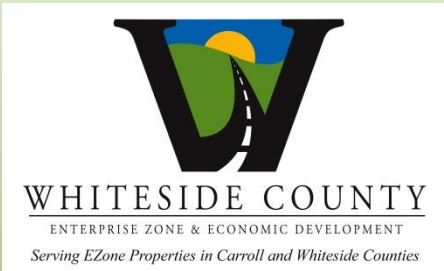
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The Application



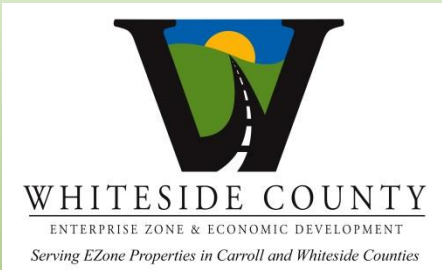
Parts of Application

- Eligibility Criteria (The Ten Tests)
- Economic Development Goals of the Zone
- Local Incentives and Programs (zone-wide)
- Role of the Designated Zone Organization (DZO)
- Municipality or County Incentives (not zone-wide)
- Economic Impact of the Zone
- Management Structure of the Zone
- Transcript of Public Hearings and a Copy of the Public Notice
- Copies of the Designating Ordinance (and IGA)
- Joint Applicant Information (when more than one government)
- Zone Boundary Description
- Local Labor Market Area definition



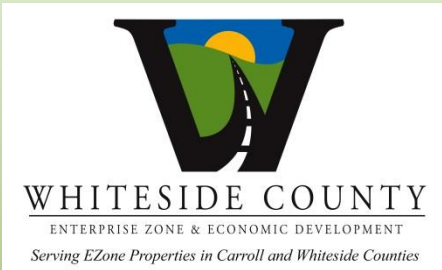
Local Labor Market Area

- **LLMA Defined by the applicant**
- Is NOT the same geographic area as the enterprise zone itself
- Used in 8 of the 10 tests in the application



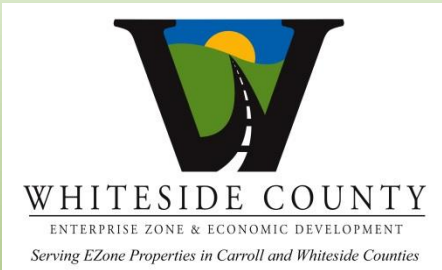
Local Labor Market Area

- *"Local labor market area" means an economically integrated area within which individuals can reside and find employment within a reasonable distance or can readily change jobs without changing their place of residence. (20 ILCS 655/3(h))*
- Additional requirements:
 - contiguous
 - compact
 - entirely within the State of Illinois
 - comprised of whole Census Tracts (to the extent practicable)
 - contain the entire area within the boundaries of the Enterprise Zone to which the LLMA relates
 - may take into account communities of interest



Zone Boundary Description

- A legal description of the Enterprise Zone AND
- A map of the Enterprise Zone that clearly identifies the zone's boundaries and provides names of streets and highways;
- Applicants are encouraged to submit geospatial data as ESRI ARCGIS Shape files;
- Applicants shall clearly indicate any territory within the Enterprise Zone that is already within an existing Enterprise Zone



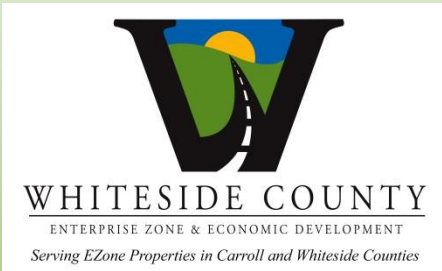
Zone Boundary Description (part 2)

- The legal description is necessary for proper recording in the County Recorder of Deeds office as well as pin numbers of all parcels
- The map is required by the Act, and will eventually be posted on DCEO's website
- Identifying any overlapping areas between an existing zone and the proposed zone allows for an “automatic” deletion of territory from the existing zone if the proposed zone is certified



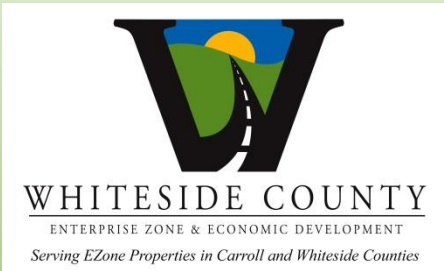
Local Incentives

- Provide information concerning each local incentive, program, special activity, or commitment to be provided in support of the zone, including:
 - a description of each incentive and its purpose – how each incentive will be implemented
 - indicate who will provide the incentive (i.e. the applicant; other local governments; other organizations, entities, or individuals)
- Provide evidence of commitment or assurances in the form of ordinances, resolutions, or letters from private sector entities



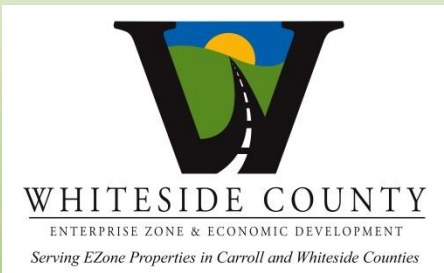
Local Incentives (part 2)

- Provide information concerning each local incentive, program, special activity, or commitment to be provided in support of the zone, including:
 - any special conditions or qualifications imposed on the applicability of the incentive
- Phase in / phase out schedules, permit requirements, property class eligibility, prevailing wage, or living wage requirements, etc.
 - the period of availability and the effective date provided
 - for activities which require direct expenditures, indicate the source of funds
 - the estimated impact on the revenue of the designating unit(s) of local government
 - describe and estimate the intended effect and anticipated benefits to zone residents and businesses



Local Incentives (part 3)

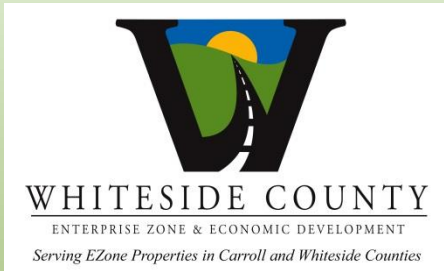
- Each incentive, program, special activity, or commitment to be *provided may not be offered on a case-by-case basis*, and must ensure that all taxpayers or participants eligible under similar circumstances are treated in a similar manner
- For example, different units of local government may provide different levels of property tax abatements; however, a unit may not make an abatement depend upon the identity of the taxpayer / business



The Ten Tests

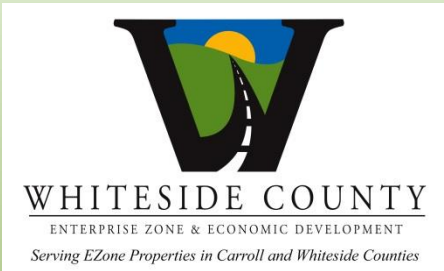
- The tests are set by statute (passed by General Assembly) with clarification in the administrative rules
- Each test has a maximum point total (set by statute)
- The scores along with “supporting documentation” are passed along to the Enterprise Zone Board
- **The Enterprise Zone Board is not required to award or deny tests based solely on the scores:**

“In determining which designated areas shall be approved and certified as enterprise zones, the Board shall give preference to the extent to which the area meets the criteria set forth in Section 4.” (20 ILCS 655/5.2.1(g))



The Ten Tests (1-5)

1. Unemployment – Up to 50 points
2. Employment Opportunities – Up to 50 points
3. Poverty – Up to 40 points
4. Abandoned Coal Mine, Brownfield or Federal Disaster Area– Up to 30 points
5. Large Scale Business Closings – Up to 50 points



The Ten Tests (6-10)

6. Vacant Structures – Up to 40 points
7. Tax Base Improvement Plan – Up to 30 points
8. Public Infrastructure Improvement Plan – Up to 50 points
9. Career Skills Programs – Up to 40 points
10. Equalized Assessed Valuation – Up to 40 points

Possible 420 point total



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