

TAX ABATEMENT RESOLUTION

WHEREFORE, the Mayor and Trustees of the Village of Ogden, Illinois, have determined that under appropriate circumstances, it is in the best interest of the Village of Ogden to offer incentives and inducements through tax abatement or other means to encourage the maintenance of and the increase of industry and commerce within the Village for the purpose of maintaining existing employment and add new employment within in Village, to increase the tax base of the Village and thereby increasing property tax revenues, to increase retail sales with the Village and hereby increasing sales tax revenues to the Village, to improve deteriorated buildings or areas of the Village, to increase attractiveness of the Village, and for other public purposes and for the safety, benefit and welfare of the residents of this Village; and,

WHEREAS, the Mayor and Trustees of the Village of Ogden, Illinois, have determined that under appropriate circumstances, it is in the Village's best interest to agree to incentives to maintain or increase industry and commerce within the Village in the event a proposed significant expansion or significant new business within the Village will create new tax revenues to the Village, maintain or create new jobs within the Village, stimulate other development, eliminate blight, improve the attractiveness of a building or area or otherwise contribute to public benefit, safety or welfare; and,

WHEREAS, it is deemed appropriate by the Mayor and Village Trustees to establish general, non-binding guidelines that the Board of Trustees will consider upon request for tax abatement for expanding or new businesses within the Village.

NOW, THEREFORE, be it resolved as follows:

1. Considering the purposes stated above and under circumstances otherwise deemed appropriate the Village may enter into an agreement with a new or expanding business to provide incentives and inducements for said new or expanding business and in deciding upon any such incentives, the Board may consider the following guidelines:
 - (A) Expansion of Existing Businesses. For a period of two years, a rebate would be made to the expanding business of the Village's portion of all sales taxes in excess of the amount of sales taxes received by the Village on account of said business for a two-year period prior to the Agreement. Out of each monthly sales taxes payment from the State monthly sales taxes payment from the State to the Village, the Village would keep the amount of the sales taxes received on account of said business over the prior two years. Rebate on increased property tax after the expansion for one year only. The balance attributable to the business would be refunded provided that a maximum yearly rebate will be established for appropriations purposes.

- (B) **New Businesses:** For a period of two years, a rebate would be made to new businesses in the amount of one-half of the Village's portion of all sales taxes and the Village's entire portion of property taxes provided however that a maximum yearly rebate would be established for appropriations purposes.
 - (C) **New Business.** For a period of three years, a rebate would be made to businesses in the amount of one-half of the Village's portions of all sales taxes and all of the Village's portion of property taxes for the first year, forty percent the second year and thirty percent the third year provided, however, that a maximum yearly rebate will be established for appropriations purposes.
 - (D) **New Business.** For a period of one year, a rebate would be made to new businesses in the amount of one-half of the Village's portion of all motel taxes provided however that a maximum yearly rebate would be established for appropriations purposes.
2. Any new expanding business requesting tax abatement shall make its request in writing and provide the following information;
- (A) A general description the proposed project.
 - (B) A projection of the cost of the project, the value of the real estate and improvements upon completion, the projected number of new jobs created by the project, the projected retail sales expected on account of said project, and other expected benefit to the Village on account of said project.
 - (C) The projected starting and completion dates of said project.
 - (D) In the event of an existing business, the current assessed valuation of the property involved and the amount of the Village's portion of retail sales taxes for each of the prior two years (with copies of State sales tax reports to be furnished to the Village upon request).
3. No sales tax or property tax refunds would be made to approved businesses until the Village's portion of said taxes is actually received by the Village for the time period affected by the Agreement. The business would provide the Village with a copy of all sales tax reports to the State and would be subject to audit upon request of the Village.

4. With regard to sales taxes, rebates would go into effect for the two-year period beginning with the first full month of operation in the completed new or expanded facility (after occupancy permit issued). With regard to property taxes, rebates would go into effect for the first full calendar year of operations after completion of the new or expanded facility (and issuance of occupancy permit).
5. The Village reserves the right to deny, reduce, expand, change or add to the inducements provided for herein based upon the individual circumstances of each application and the expected benefits to the Village, or other factors deemed appropriate within the discretion of the Village.
6. The Village may make all abatements or other inducements contingent upon conditions deemed appropriate and all abatements or other payments by the Village shall be contingent upon appropriation of said money for each year affected by said Agreement. Abatements may be conditioned upon: continued operation of said business at the proposed new or expanded facility, no change of ownership during the period of the agreement, that the agreement may not be assigned by the business without the Village's consent and other conditions deemed appropriate by the Village.
7. In the event application for abatement or other inducements is made and acceptable to the Village, an agreement shall be prepared and executed by said business and by the Mayor pursuant to resolution authorizing execution of said agreement.

DATED this 3rd day of March, 2005

AYES: 4 NAYES: _____

Jack Reidner Mayor
JACK REIDNER, MAYOR

ATTEST:

Lori Frerichs
LORI FRERICHS, VILLAGE CLERK