

AGREEMENT NO. 2018-05

AGREEMENT FOR TECHNICAL SERVICES AND ASSISTANCE ENTERPRISE ZONE APPLICATION FRANKLIN COUNTY I-57 ENTERPRISE ZONE

This Agreement, entered into this 16th day of May, 2018 by and between Franklin County, Illinois, hereinafter referred to as the "Applicant" and Moran Economic Development, hereinafter referred to as the "Consultant/Respondent".

Whereas, the Applicant has a need for assistance in the completion of an Enterprise Zone Application "Application"; and,

Whereas, the Consultant is duly experienced in providing such assistance,

Now, therefore, the Applicant and the Consultant, for the considerations and under the conditions hereinafter set forth, do mutually agree as follows:

ENTERPRISE ZONE APPLICATION SCOPE OF SERVICES

We propose the following services:

Provide advice, consultation and application to the Illinois Department of Commerce & Economic Opportunity (DCEO) in matters pertaining to the designation of a new Enterprise Zone within Franklin County:

I. PHASE ONE

Phase one will consist of the preliminary steps in the Illinois Enterprise Zone Application process. Much of phase one will rely on mapping and GIS work, and Moran Economic Development will need to work in conjunction with the Applicant throughout the process.

Determining Zone Boundary

The City will work with the Consultant to develop the Enterprise Zone boundary. Through the use of GIS mapping, the Consultant will provide the Applicant with aerial photography, parcel and land use maps, and additional resources to aid in the planning of the Enterprise Zone area.

Determining Local Labor Market Area

The "Local Labor Market Area" (LLMA) is used in 8 of the 10 tests in the application. The LLMA refers to 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. The LLMA is designated by the Applicant, and is required to be:

- Contiguous
- Compact
- Entirely within Illinois
- Comprised of whole Census Tracts
- Contain the entire area of the Enterprise Zone
- May take into account communities of interest

The Consultant will examine geographic characteristics, such as neighboring communities, interstates, landmarks, etc. Additionally, the Consultant will analyze many of the conditions found in the application tests on a census tract-by-census tract basis. From this point, the Consultant will be able to provide the Applicant with a suggested LLMA.

II. PHASE TWO

Phase two concerns the application itself, specifically the 10 “tests” which the application is scored on. This phase relies heavily on data collection, as well as writing the narrative response for each of the tests. The result of Phase Two will determine the eligibility of the enterprise zone area.

Test 1 (50 POINTS)

All or part of the local labor market area has had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Illinois Department of Employment Security;

Test 1 Process

The Consultant will work with the Illinois Department of Employment Security to research unemployment in the LLMA.

Test 2 50 POINTS

Designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area;

Test 2 Process

The Consultant will engage in a dialogue with the Applicant about job creation, potential projects resulting from zone designation, and other general goals of the enterprise zone program. The Consultant will research market factors in the LLMA to generate an estimate of the effects of the zone on employment, as well as how the zone will alleviate poverty/unemployment.

Test 3 (40 POINTS)

All or part of the local labor market area has a poverty rate of at least 20% according to the latest federal decennial census, 50% or more of children in the local labor market area participate in the federal free lunch program according to reported statistics from the State Board of Education, or 20% or more households in the local labor market area receive food stamps according to the latest federal decennial census;

Test 3 Process

The Consultant will determine the poverty rate of the LLMA by utilizing data from the American Community Survey. The number and percentage of children in the LLMA that are eligible for free/reduced price school lunches will be calculated using the USDA's income eligibility criteria. Finally, the number and percentage of households in the LLMA that receive SNAP benefits will be determined.

Test 4 (30 POINTS)

An abandoned coal mine or a brownfield (as defined in Section 58.2 of the Environmental Protection Act) is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of application;

Test 4 Process

The Consultant will analyze coal mine data from IDNR, and will map out any abandoned mines in the proposed zone area. The Consultant will then determine if a brownfield is present in the proposed zone area by using IEPA resources. Historical FEMA data will be analyzed to determine if any portion of the proposed zone is or was declared a federal disaster area.

Test 5 (50 POINTS)

The local labor market area contains a presence of large employers that have downsized over the years, the labor market area has experienced plant closures in the 5 years prior to the date of application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of application affecting more than 50 workers;

Test 5 Process

Historical WARN data from DCEO for the past 10 years will be researched to determine if any large employers have left the LLMA. The CGFA state facilities closures will be researched for the past 5 years as well.

Test 6 (40 POINTS)

Based on data from Multiple Listing Service information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures are prevalent in the local labor market area, or industrial structures in the local labor market area are not used because of age, deterioration, relocation of the former occupants, or cessation of operation;

Test 6 Process

The Consultant will use a variety of data to research vacancy rates in the LLMA, including MLS information, LOIS databases, and local realtor data. Field investigations will be used to determine the degree of deterioration.

Test 7 (30 POINTS)

The Applicant demonstrates a substantial plan for using the designation to improve the State and local government tax base, including income, sales, and property taxes;

Test 7 Process

The Consultant will work with the Applicant to create a draft plan that will demonstrate how the potential zone will improve the state and local government tax bases. Projections of state and local sales taxes, property tax, and state income tax will be used to provide an estimate of the zone's impact.

Test 8 (50 POINTS)

Significant public infrastructure is present in the local labor market area in addition to a plan for infrastructure development and improvement;

Test 8 Process

The Applicant will be asked to provide an inventory of all "public infrastructure" (as defined by the Application) in its respective portion of the LLMA. The Consultant will refer to utility companies and other officials to provide an inventory of the other infrastructure in the LLMA. The Applicant will be asked to provide a three-year public infrastructure improvement and development plan (to include capital improvement projects, financing of such improvements, and justification for such improvements). Based on the above information, the Consultant will prepare a public infrastructure improvement and development plan, which will be reviewed with the Applicant.

Test 9 (40 POINTS)

High schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers;

Test 9 Process

The Consultant will identify all high schools and community colleges within the LLMA. In each case, the Consultant will research the institution's participation in career skills programs (ACT Work Keys, Manufacturing Skills Standard Certification, etc.).

Test 10 (40 POINTS)

The change in equalized assessed valuation (EAV) of industrial and/or commercial properties in the 5 years prior to the date of application is equal to or less than 50% of the State average change in equalized assessed valuation for industrial and/or commercial properties, as applicable, for the same period of time.

Test 10 Process

The Consultant will research equalized assessed values (EAVs) for commercial and industrial properties in the LLMA, dating back five years. The annual changes in the LLMA commercial/industrial EAV will then be compared to the state's annual change for the same time period.

III. PHASE THREE

The Consultant will present the Applicant with a completed package of materials developed to address each of the ten Application Tests. This package will additionally include any maps, tables, charts, or narrative that will improve the Application as a whole. The Consultant will provide the Applicant with a draft Application for review, where any changes will be able to be made before a final Application is submitted to DCEO.

The Application will be approved or denied by a majority determination of the Enterprise Zone Board.

SCHEDULE

The three phases of the project will span 2018, with all elements of the application being complete and submitted by December 31. The following is a general schedule of when each of the phases will occur:

Phase One..... January 2018 – October 2018
Phase TwoOctober 2018 – December 2018
Phase Three December 2018

COMPENSATION

The total proposed fee for the above work will be **\$27,900**, plus actual reimbursable expenses not to exceed \$2,900. Reimbursable expenses shall consist of actual costs incurred by Moran Economic Development for printing, travel, photographic work, production, delivery charges, long distance telephone charges and any other similar expenses required to provide the above Scope of Services. Such expenses shall be billed to the Village at their direct and actual cost to Moran Economic Development.

Qualification Analysis of Enterprise Zone Area (Phase I & II)..... \$13,950

Upon the completion of Application for Enterprise Zone (Phase III)..... \$13,950

Payment of current charges and reimbursable expenses shall be made to the Consultant within 30 days of the receipt of the invoice concerning these items. Unpaid invoices shall accrue interest of 1.5% per month until paid.

The Consultant is not responsible for any other services or deliverables which are not outlined within this agreement. Any additional services or deliverables can be provided upon execution of separate agreements.

TERMINATION OF AGREEMENT

If, for whatever reason, the City determines that the work should be terminated, the City will inform Consultant in writing that it wishes to terminate this agreement. The date of termination shall occur upon receipt of the written notice of termination by Consultant pursuant to Section 8 of this agreement.

The City will pay Consultant an amount representing the work performed to the date of termination, plus any expenses Consultant incurred to that date.

1. Confidentiality; FOIA Requests. “**Confidential Information**” means any information which Consultant has designated as confidential in writing or ought to be considered confidential (however it is conveyed or on whatever media it is stored) including information that relates to a party’s trade secrets, commercial information, proprietary information, and, private personal information. In the event the City, or an authorized representative thereof, receives a FOIA request for documents containing Confidential Information, City shall notify Consultant of the request. Upon receipt of such notice by email or facsimile, Consultant shall notify City within two business days whether, and if so why, it believes the requested documents are exempt from disclosure under the applicable FOIA law, or if any portion of the requested documents is exempt

from disclosure (and therefore should be redacted) under the Illinois Freedom of Information Act or other applicable rules, laws or regulations.

2. **Not Legal Advice.** City understands that any information or deliverables Consultant provides to City in connection with this agreement or the services provided hereunder is not, and should not be relied upon as, legal advice.

3. **Delay.** Consultant shall not be responsible for failure to perform or for delays in the performance of services which arise out of causes beyond the control and/or without the fault or negligence of Consultant.

4. **Relationship.** Consultant will act under this agreement as an independent contractor, and nothing contained herein will constitute either party as the employer, employee, or representative of the other party, or both parties as joint venturers or partners for any purpose.

5. **Enforceability.** The invalidity or unenforceability of any provision of this agreement does not affect the validity or enforceability of any other provisions of this agreement, which will remain in full force and effect.

6. **Amendments.** This agreement may not be amended or modified except in writing signed by the parties hereto.

7. **Governing Law.** The laws of the state of Illinois, without regard to conflicts of law principles thereof, govern all matters arising under this agreement.

8. **Notices.** All notices pursuant to this agreement must be in writing and delivered by hand, sent via telecopy or overnight delivery or by certified or registered mail to each party's address provided in this agreement.

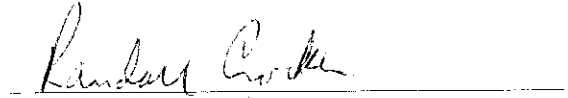

9. **Entire Understanding.** This agreement sets forth the entire agreement and understanding between Consultant and City with respect to the subject matter hereof. The Applicant understands that the Enterprise Zone may not be granted by the State of Illinois.

10. **Execution.** The signature of either party hereto that is transmitted to the other party or other party's authorized representative electronically (e.g. facsimile, e-mail, etc.) will be deemed for all purposes to be an original signature. This agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed this 16th day of May, 2018.

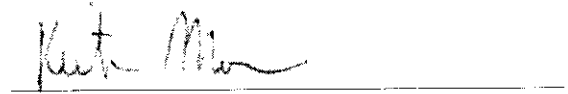
ATTEST:

Franklin County



ATTEST:

Moran Economic Development, LLC



Keith Moran
President