

RESOLUTION OF THE CITY OF BLOOMINGTON TOWNSHIP, CONDITIONALLY AND PARTIALLY ABATING PROPERTY TAX FOR BLOOM HEARTLAND, LLC AND WIRTZ BEVERAGE ILLINOIS, LLC

WHEREAS, tax abatement is a versatile tool economic developers use for projects related to business retention and attraction; and

WHEREAS, the promise of financial assistance can make the difference in a company's decision regarding the location of their project or their eagerness to expand; and

WHEREAS, the Economic Development Council of the Bloomington-Normal Area ("EDC"), along with Bloom Heartland, LLC ("Bloom Heartland") and Wirtz Beverage Illinois, LLC, ("Wirtz Beverage") have asked for tax abatements on the part of the local taxing bodies in support of Wirtz Beverage's relocation to Bloomington; and

WHEREAS, all parties believe the economic development impact of this project will ultimately be advantageous to the community as a whole, through capital investment and job growth which stimulates retail growth, sales tax generation, diversification and economic vitality; and

WHEREAS, Wirtz Beverage wishes to relocate its mid-state headquarters facility to a new facility to be constructed (the "New Facility") on a parcel of land within Interchange West Subdivision, Bloomington, Illinois, which land is defined in the Tax Abatement Agreement attached hereto as Exhibit A and incorporated herein by reference (the "Agreement") as the "Property"; and

WHEREAS, the current equalized assessed value of the tax parcel, of which the Property is a part, is described in Exhibit B attached hereto; and

WHEREAS, Illinois Statute 35 ILCS 200/18-165(a), in pertinent part, provides that:

Any taxing district, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that 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. . . . The abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000[;]*

WHEREAS, Wirtz Beverage is a distributor of spirits, wine, and beer that has an opportunity to relocate its operations; and

WHEREAS, an estimated \$7.25 million of investment will be made into the Property during the course of this Agreement; and

WHEREAS, Bloom Heartland and Wirtz Beverage are requesting that the Township grant their request for said abatement as such abatement is more particularly described in this Resolution, provided Bloom Heartland and Wirtz Beverage satisfy the further terms and conditions set forth herein and in the Agreement; and

WHEREAS, the Township is willing to grant such an abatement to Bloom Heartland and Wirtz Beverage in accordance with the terms and conditions set forth in this Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWNSHIP BOARD OF THE CITY OF BLOOMINGTON TOWNSHIP OF BLOOMINGTON, ILLINOIS, AS FOLLOWS:

SECTION ONE: The Agreement is hereby approved and the Mayor is hereby authorized and directed to enter into the Agreement on behalf of the Township.

SECTION TWO: The McLean County Clerk is hereby ordered to abate that portion of real estate taxes levied against the Property that are attributable to an increase in assessed value arising solely from capital improvements made by Bloom Heartland or Wirtz Beverage to the Property after execution of the Agreement agreement and prior to December 31, 2014 ("Eligible Improvements"), beginning with taxes levied in 2014 (payable in 2015) and continuing for taxes levied in 2015 (payable in 2016), 2016 (payable in 2017), 2017 (payable in 2018), and 2018 (payable in 2019), subject however to cancellation and termination as hereafter provided.

SECTION THREE: The partial tax abatement provided in Section Two shall terminate immediately upon written notice from the Superintendent that, at any time during the term of the Agreement after December 31, 2014:

1. Wirtz Beverage has failed to employ at least 120 employees at the New Facility; or
2. Wirtz Beverage and Bloom Heartland have failed to expend at least \$7.25 million for land acquisition and capital improvements related to the New Facility, including without limitation costs of land acquisition, site work, building construction, furniture, fixtures, and equipment.

In addition, at the sole discretion of the Township, the Township may terminate the Agreement at any time when Bloom Heartland or Wirtz Beverage is in material breach of this Agreement and has not cured such material breach within 60 days after written notice thereof from the Township.

SECTION FOUR: The following conditions apply to the ongoing obligation to partially abate real estate taxes set forth in Section One above:

- a. Bloom Heartland and Wirtz Beverage agree, warrant and represent that they shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, charters, statutes, codes, orders, policies and procedures relating to the Property.
- b. Bloom Heartland and Wirtz Beverage shall provide access to and authorize inspection of the Property upon request of the Township to ensure that the improvements are made according to the specifications and conditions of the Agreement. This audit will be the responsibility of the EDC to perform, and will occur no more than once annually.

SECTION FIVE: In the event the Agreement is terminated prior to its natural expiration due to Bloom Heartland's or Wirtz Beverage's material breach of any provision of the Agreement, including, but not limited to Wirtz Beverage relocating all or substantially all of the New Facility outside the taxing district, then all taxes abated by the Township pursuant to this Ordinance shall be due and payable to the Township and the abatement of taxes pursuant to Section Two shall immediately cease.

SECTION SIX: Pursuant to the Agreement, the Township may extend the date set forth in Section Three a.1. and 2. of the Agreement if Bloom Heartland or Wirtz Beverage reasonably demonstrates the necessity for any such extension(s).

SECTION SEVEN: Any statutory reference contained herein shall include any and all amendments thereto and replacements thereof.

SECTION EIGHT: This Resolution shall be in full force and effect upon its passage.

PASSED BY THE TOWNSHIP BOARD OF THE CITY OF BLOOMINGTON TOWNSHIP OF BLOOMINGTON, ILLINOIS, THIS ____TH DAY OF JANUARY, 2013.

AYES: _____
NAYS: _____
ABSENT: _____

ATTEST:

EXHIBIT A – Tax Abatement Agreement

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement (the "Agreement") is made this ___ day of _____, 2013, between The City of Bloomington Township (the "Township") acting herein Joe Gibson, its Supervisor, hereunto authorized, Bloom Heartland, LLC ("Bloom Heartland"), a Delaware limited liability company, acting herein by _____, its _____, hereunto authorized, and Wirtz Beverage Illinois, LLC, ("Wirtz Beverage") an Illinois limited liability company, acting herein by _____, its _____, hereunto authorized.

WHEREAS, tax abatement is a versatile tool economic developers use for projects related to business retention and attraction; and

WHEREAS, the promise of financial assistance can make the difference in a company's decision regarding the location of their project or their eagerness to expand; and

WHEREAS, the Economic Development Council of the Bloomington-Normal Area ("EDC"), along with Bloom Heartland and Wirtz Beverage, have asked for tax abatements on the part of the local taxing bodies in support of Wirtz Beverage's relocation to Bloomington; and

WHEREAS, all parties believe the economic development impact of this project will ultimately be advantageous to the community as a whole, through capital investment and job growth which stimulates retail growth, sales tax generation, diversification and economic vitality; and

WHEREAS, Wirtz Beverage wishes to relocate its mid-state headquarters facility to a new facility to be constructed (the "New Facility") on a parcel of land within Interchange West Subdivision, Bloomington, Illinois, which land is generally depicted on the survey attached hereto as Exhibit A (the "Property"); and

WHEREAS, Bloom Heartland is the contract purchaser of the Property; and

WHEREAS, Bloom Heartland and Wirtz Beverage intend to enter into a lease agreement pursuant to which Bloom Heartland, as lessor, will lease the New Facility to Wirtz Beverage (the "Lease"); and

WHEREAS, the Property is a portion of a larger parcel designated as tax parcel 13-36-400-012 (the "Tax Parcel"), which is 19.820 acres in size; and

WHEREAS, for purposes of this Agreement, the "Base EAV" of the Property will be deemed to be the 2011 assessed value of the Tax Parcel multiplied by a percentage equal to the ratio of the acreage of the Property to the acreage of the Tax Parcel (19.820 acres); and

WHEREAS, Illinois Statute 35 ILCS 200/18-165(a), in pertinent part, provides that:

Any taxing district, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that 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. . . . The abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000[;]*

WHEREAS, Wirtz Beverage is a distributor of spirits, wine, and beer that has an opportunity to relocate its operations; and

WHEREAS, an estimated \$7.25 million of investment will be made into the Property during the course of this Agreement; and

WHEREAS, Bloom Heartland and Wirtz Beverage have requested a partial abatement of real estate property taxes for a period of five (5) years based on their improvements to the Property; and

WHEREAS, Bloom Heartland and Wirtz Beverage are requesting that the Township grant their request for said abatement as such abatement is more particularly described in this Agreement, provided Bloom Heartland and Wirtz Beverage satisfy the further terms and conditions set forth herein; and

WHEREAS, the Township is willing to grant such an abatement to Bloom Heartland and Wirtz Beverage in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL UNDERTAKINGS HEREIN CONTAINED AND OTHER VALUABLE CONSIDERATION, THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION ONE: The Township has adopted a resolution conditionally and partially abating the property taxes for the Property for a period of five years in the form attached hereto as Exhibit B (the "Resolution"). The Township agrees to adopt and file any other documents that may be required from time to time to effectuate the abatements, including (if necessary) annual abatement resolutions in the form of Exhibit B. Pursuant to Section Two of the Resolution, the portion of real estate taxes levied against the Property that are attributable to an increase in assessed value arising solely from Eligible Improvements (as defined in the Resolution) will be all real estate taxes levied against the Property, excluding only taxes arising from (i) the Base EAV or (ii) any improvements made after December 31, 2014.

SECTION TWO: This Agreement shall become effective upon (i) Bloom Heartland's acquisition of the Property and (ii) the execution of the Lease by Bloom Heartland and Wirtz Beverage and shall be for a term commencing upon the full approval and execution of this

Agreement and continuing until the property taxes to be abated pursuant to the Resolution are fully abated.

SECTION THREE:

a. This Agreement is subject to early termination by the Township immediately if, at any time during the term of this Agreement after December 31, 2014:

1. Wirtz Beverage fails to employ at least 120 employees at the New Facility; or

2. Wirtz Beverage and Bloom Heartland have failed to expend at least \$7.25 million for land acquisition and capital improvements related to the New Facility, including without limitation costs of land acquisition, site work, building construction, furniture, fixtures, and equipment.

b. In addition, at the sole discretion of the Township, the Township may terminate this Agreement at any time when Bloom Heartland or Wirtz Beverage is in material breach of this Agreement and has not cured such material breach within 60 days after written notice thereof from the Township.

SECTION FOUR: Bloom Heartland and Wirtz Beverage agree, warrant and represent that they shall comply with all applicable federal, state and local laws, rules, regulations, ordinances, charters, statutes, codes, orders, policies and procedures relating to the Property.

SECTION FIVE: For so long as this Agreement shall remain in full force and effect, Bloom Heartland and Wirtz Beverage agree to provide access to and authorize inspection of the Property upon request of the Township to ensure that the improvements are made according to the specifications and conditions of this Agreement. This audit will be the responsibility of the EDC to perform, and will occur no more than once annually.

SECTION SIX: In the event this Agreement is terminated prior to its natural expiration due to Bloom Heartland's or Wirtz Beverage's material breach of any provision of this Agreement, including, but not limited to Wirtz Beverage's relocating all or substantially all of the New Facility outside the taxing district, then all taxes abated by the Township pursuant to this Agreement shall be repaid to the Township within 30 days of Township's request. Additionally, any remaining abatement shall be cancelled and the Township shall direct the County Clerk to not abate any portion of property taxes on the Property.

SECTION SEVEN: The Township may extend the date set forth in Section Three a.1. and 2. of this Agreement, if Bloom Heartland or Wirtz Beverage reasonably demonstrate the necessity for any such extension(s).

SECTION EIGHT: The Agreement constitutes the entire contract between the parties hereto, and no oral statements or promises and no understanding not embodied in this writing

shall be valid or binding. Any modification of this Agreement shall be in writing and executed with the same formality as this Agreement.

SECTION NINE: This Agreement shall be governed by the laws of the State of Illinois. It is agreed by the parties that if any party commences suit, action or any other legal proceeding against the other, the venue shall be the Circuit Court of McLean County, Illinois. Each prevailing party in such suit, action, or proceeding has a right to recover from any adverse party its attorney's fees, court costs, and other costs of litigation.

SECTION TEN: Any statutory reference contained herein shall include any and all amendments thereto and replacements thereof.

SECTION ELEVEN: Any notice required under this Agreement shall be given to the respective parties as follows:

To Wirtz Beverage and Bloom Heartland:

To City of Bloomington Township:

With a copy to:

Economic Development Council of the Bloomington/Normal Area
Attn: Mr. Marty Vanags
200 West College Ave., Suite 402
Normal, IL 61761

City of Bloomington Township

Wirtz Beverage Illinois, LLC

By _____

By _____

Attest:

Attest:

Date: _____, 2013

Date: _____, 2013

Bloom Heartland, LLC

By _____

Attest:

Date: _____, 2013

Exhibit B.



Parcel Information Search System

Display Control

NOTE: If you plan on printing information, it is best to click the Printer Friendly button before you select items in the Display Control.

Assessment History
 Forfeiture Information
 Parcel Photos
 Tax Sale and Redemption
 Billing and Payment
 General Information
 Soil Survey Information
 Taxing Body
 Exemption History
 GIS Map Information

Check the items you want to display and click "Update Display".
If an item is greyed out, no information is available for that section.

Property Details

Parcel Number	13-36-400-012	Notice Mailing Address	
Township	CITY OF BLOOMINGTON	Property Address	1805 W WASHINGTON ST BLOOMINGTON IL 617013703 Change of Address Form
Property Class	0021 - Farmland	<input type="button" value="Map The Selected Parcel"/>	
Tax Status	Taxable	Tax Bill Mailing Address	
Acres	19.8200	Same as Notice Address	
Tax Code	4054		
Legal Description			
SEC 36 24 1E PT SE - BEG 2295.04' N SE COR, W713.45' , S1112.94' , E TO E LN, N TO POB			
Direct Link to This Parcel			
http://webapp.mcleancountyil.gov/webapps/Tax/taxparcelinfo.aspx?parcel=1336400012			

Parcel Assessment Information

Year	Farm Land	Farm Building	Land/Lot	Buildings	Total
2011 Payable in 2012	\$5,195.00	\$0.00	\$0.00	\$0.00	\$5,195.00
2010 Payable in 2011	\$4,723.00	\$0.00	\$0.00	\$0.00	\$4,723.00
2009 Payable in 2010	\$4,294.00	\$0.00	\$0.00	\$0.00	\$4,294.00
2008 Payable in 2009	\$3,774.00	\$0.00	\$0.00	\$0.00	\$3,774.00
2007 Payable in 2008	\$3,431.00	\$0.00	\$0.00	\$0.00	\$3,431.00
2006 Payable in 2007	\$3,953.00	\$0.00	\$0.00	\$0.00	\$3,953.00
2005 Payable in 2006	\$3,953.00	\$0.00	\$0.00	\$0.00	\$3,953.00
2004 Payable in 2005	\$4,392.00	\$0.00	\$0.00	\$0.00	\$4,392.00
2003 Payable in 2004	\$4,880.00	\$0.00	\$0.00	\$0.00	\$4,880.00
2002 Payable in 2003	\$5,422.00	\$0.00	\$0.00	\$0.00	\$5,422.00
2001 Payable in 2002	\$6,025.00	\$0.00	\$0.00	\$0.00	\$6,025.00

Taxing Entity Information

Select Year Range

2011 and 2010
 2010 and 2009
 2009 and 2008
 2008 and 2007
 2007 and 2006
 2006 and 2005
 2005 and 2004
 2004 and 2003

Taxing Body	2011 Rate	2011 Tax	2010 Rate	2010 Tax
MCLEAN COUNTY	0.915710	\$47.58	0.916730	\$43.30
CITY OF BLOOMINGTON	1.059550	\$55.04	1.060130	\$50.07
B-N WATER RECLAMATION DIST	0.163900	\$8.51	0.163910	\$7.74
BLM-NRM AIRPORT AUTH	0.154860	\$8.04	0.098550	\$4.65
CUSD 5 NORMAL	4.734990	\$245.98	4.763830	\$225.00
DRY GROVE TOWNSHIP	0.117550	\$6.11	0.113720	\$5.37
DRY GROVE TWP ROAD	0.273570	\$14.21	0.277360	\$13.10
DRY GROVE-WHITE OAK MTAD	0.014260	\$0.74	0.014200	\$0.67
CITY OF BLOOMINGTON LIBRARY	0.250730	\$13.03	0.250870	\$11.85
HEARTLAND COMM COLLEGE 540	0.475840	\$24.72	0.473610	\$22.37
Totals	8.16096	\$423.96	8.13291	\$384.12



Project Summary for Property Tax Freeze

Wirtz Beverage

12-03-2012

Honorable elected officials and municipal staff

This ordinance and agreement submitted by the Economic Development Council of the Bloomington-Normal Area seeks to secure a limited property tax incentive for Wirtz Beverage Illinois.

Wirtz Beverage Illinois is an affiliate of Chicago-based Wirtz Corporation, which has interests in banking, real estate, insurance, sports, entertainment and wholesale distribution. The project in question would build a new mid-state headquarters facility for Wirtz Beverage Illinois on the west side of Bloomington-Normal, just north of IL-9.

This facility would serve several functions. First, it would serve as a warehouse facility for the company's distribution of wine, spirits and beer to many customers in the Bloomington/Normal area as well as other downstate communities. Secondly, the facility would serve as a sales headquarters, wherein representatives from all around the region could gather for regular meetings. Lastly, the facility would include office space in order to support operations.

In all, this new-construction project would invest a minimum of \$7.25 million into taxable property in Bloomington-Normal and would locate at least 120 jobs here. These jobs would carry an average wage of \$46,100, which is significantly higher than the area per-capita income level of \$28,167.¹ Further, this project would fall into the category of logistics and warehousing – one of five industries specifically targeted as part of the new five-year strategic plan for economic development in the twin cities.

Wirtz is requesting a five-year freeze on the real taxes owed on the site in question. The freeze, if approved by the taxing bodies, would allow Wirtz to pay the same amount of taxes as was owed on the site in 2011 and hold that amount steady for the next five years while the company invests into the site. After the period of five years is over, the company's taxes will rise to take into account the new investment. At that point, all taxing bodies would begin to collect the full amount of post-investment taxes.

This incentive is necessary in order to make the project financially viable. The company has options to either build fresh in Peoria or upgrade an existing facility in Peoria to accommodate the

¹ US Census Bureau, American Community Survey 5-year estimate for McLean County, Table B19301

project. The company has indicated their preference to locate in Bloomington Normal if they can make the project feasible.

As proposed, this arrangement protects the taxing bodies by guaranteeing that they will collect the existing pre-project level of property taxes throughout the next five years. Simultaneously, this would allow Wirtz to realize the economic benefits of their new investment for five years before paying the full amount of property taxes on that investment.

The amount of abated tax will vary from taxing body to taxing body based on the size of each taxing body's specific levy. If one or more taxing bodies choose not to participate, this will have no effect whatsoever on taxing bodies that do choose to participate. The EDC believes that most of the taxing bodies affecting the property will support this conservative, limited-term tax incentive.

The EDC supports this project because it will support job growth in Bloomington-Normal and will increase the property tax base through new investment. The total proposed incentive package to Wirtz is both reasonable in size and will be effective in winning the project. We strongly encourage our local leaders to support this ordinance.

Questions about this ordinance or project can be directed to Ken Springer at 309-452-8437.