



The Village of
Glenview

**Community Development
Department**

TO: Dr. Brian Wegley, Superintendent of Schools Dr. Michael Riggle, Superintendent
Northbrook/Glenview District 30 Glenbrook High Schools District 225

FROM: Jeff Brady, Director of Planning, (847) 904-4306

SUBJECT: **North American Corporation Application for Cook County 6(b) Tax Incentive**

DATE: November 4, 2016

REQUESTED ACTION:

In accordance with the Village of Glenview's ("Village") policy on Cook County 6(b) tax incentive applications, the Village requests School District 30 and School District 225 review the attached materials in consideration of submitting a letter of support for the proposed 6(b) renewal application. The 6(b) classification is an economic development incentive offered by Cook County to encourage industrial development in the County to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities. The benefit to the property owner is that the assessment level will be reduced for twelve years from the industrial rate of 25% to:

- 10% for the first 10 years
- 15% in the 11th year
- And 20% in the 12th year (before returning to the standard 25% rate)

The 6(b) program was developed to help close the competitive gap with other surrounding counties such as Lake County where the property taxes are much lower on businesses. Cook County's eligibility bulletin is attached for reference and it requires the municipality in which such real estate is located to pass a resolution consenting to the filing of a Class 6(b) Application and stating that it finds Class 6(b) necessary for development to occur on the subject property. The Glenview Board of Trustees will consider a Resolution on December 6, 2016 upon reviewing the advisory comments submitted by the Village Staff, School District(s), and Park District, and the applicant's submittal information. Glenview's support of the application is dependent on the applicant's ability to demonstrate compliance with the attached eligibility guidelines and shall be tied to the specific business occupying the subject property and that, in case of the renewal, the industrial use of the property is necessary and beneficial to the local economy.

BACKGROUND:

North American Paper Company ("NAPCO") moved their corporate headquarters to Glenview in 1999 by constructing a 250,000 s.f. sales and warehousing facility at 2101 Claire Court on 17 acres in the North Shore Corporate Park. Annually, NAPCO employs 300 employees and generates a significant amount of taxable sales, of which the Village receives 1.75% of their sales in combined Sales Tax and Home Rule Sales Tax. NAPCO generated approximately \$321,824 in 2015 property taxes for the community based on an existing Cook County Class 6(b) tax incentive that was provided to attract and retain their company in Glenview. NAPCO has communicated to Village staff that they have a strong preference to continue operating from their current facility and have committed to expanding their warehouse by another 100,000 s.f. if the Cook County Class 6(b) tax incentive is renewed for another 12 years on their current facility and applied to the new addition when it is completed in a few years.

PROPOSAL:

The Village of Glenview has negotiated a Development Agreement (“Agreement”) with a primary goal of retaining NAPCO in Glenview and incentivizing their expansion. The Agreement, as well as a Resolution supporting the NAPCO 6(b) renewal request will be considered by the Village at the December 6, 2016 Glenview Village Board meeting. As part of the attached materials is the draft Agreement which contains a section on real estate tax refunds and is summarized as follows:

- If NAPCO applies for and receives a real estate tax refund after the taxes have been paid that is below the typical real estate tax amount (“Threshold Amount”) that would expected to be paid for both the existing building and the addition, NAPCO would pay the difference between the amounts to the Village. The difference would be distributed proportionately to the representative taxing districts.
- The Threshold Amount section of the Agreement protects the school districts and other taxing jurisdictions from the impacts of a property tax appeal.

A summary of the draft Agreement terms are listed below:

- NAPCO currently has a 6(b) tax incentive on the property and they will continue to receive the incentive for another 12 years. The 2015 property taxes were \$321,824.
- NAPCO agrees to submit for a 100,000 s.f. building addition permit by 12/31/19 and to obtain a Certificate of Occupancy by 6/30/21 for the building addition.
- If NAPCO doesn’t construct the addition the cure is NAPCO asks the Cook County Assessor to repeal the 6(b) and pays back the tax incentive for any period in which the 6(b) remains in place. In the unlikely event this occurs, the payments would be proportionately redistributed to the taxing jurisdictions.
- NAPCO would receive a 6(b) tax incentive for the proposed addition, which would start in 2022 at the latest and last for 12 years. Estimated 2022 property taxes for the addition are \$136,599.
- NAPCO agrees to generate a minimum combined IL sales tax (approximately 18% comes to the Village based on Glenview’s 1.75% tax rate vs the total 9.75% state tax rate) or NAPCO would reimburse the Village with the difference if the actual amount fell below a guaranteed level.
- It is expected new sales tax revenue would be generated from the proposed building addition.

TIMELINE:

| | Meeting Date | Comment |
|---------------------|---------------------|---|
| District 30 | November 10 | Review by School Board prior to consideration of a letter of support. |
| District 225 | November 14 | Review by School Board prior to consideration of a letter of support. |
| Village of Glenview | December 6 | Review of Resolution supporting NAPCO 6(b) request which needs to be submitted to Cook County with 6(b) application by December 31, 2016. |

ATTACHMENTS:

1. Village of Glenview’s 6(b) Eligibility Guidelines
2. Cook County Class 6(b) Eligibility Bulletin
3. NAPCO 6(b) Summary Letter, Exhibits, and 6(b) Application
4. Draft Development Agreement between NAPCO and Village of Glenview

ATTACHMENT 1

Village of Glenview's 6(b) Eligibility Guidelines

Glenview's Cook County Class 6b Eligibility Guidelines

Consideration

Economic & Fiscal Impacts of Business on the Community:

- The burden is on the applicant to make a case the incentive is necessary for the project to move forward.
- Evaluation of tax impact to Village based on a vacant parcel/building without the 6b incentive versus an occupied parcel/building with the 6b incentive.
- Comparison of tax impact to a business in Cook County versus Lake County.
- Potential for future growth of industry.
- Businesses that build on the resources, materials, and workforce of the local community.
- A greater increase in the assessed value of the property through the construction of building additions or making other significant improvements to the site.
- Projects not requiring new public capital improvements. If public infrastructure improvements are necessary, a greater contribution by the developer for public infrastructure improvements.
- A greater amount of sales tax base expansion.
- Start-up companies and expansions of existing local operations.

50%

Existing Building/Site Conditions & Private Financial Contribution Compared to Relief Sought:

- A property owner demonstrating that reasonable efforts have been made to market the property over time.
- Sites that are difficult to lease or sell due to age, size, condition, or unique characteristics of the building.
- Sites for which the purchase price of the property is market rate and is not the reason for needing a 6b incentive and for which deferred maintenance issues are not the reasons for needing the 6b incentive.
- A greater ratio of investment by the assisted business compared to amount of Class 6b relief.
- A greater ratio of value of improvements to existing building to purchase price of real property.
- For extensions - demonstration of how business conditions have not become more favorable
- Buildings that have been vacant for two years or more.
- Sites for which prior to applying for a Class 6b exemption, a vacancy appeal for the site has been granted by Cook County.

45%

Quality Jobs to be Created:

- Higher wage rates.
- Full-time; long-term, non-seasonal positions.

5%

**100%
Consideration**

Environmental Impact:

- The more environmentally sound the company's operation, including but not limited to:
 - Comprehensive energy and resource efficiency programs, including green buildings (e.g. LEED certification, binding energy efficiency commitments, etc.)
 - Comprehensive waste reduction, waste exchange, and recycling programs.
- The more environmentally sound the company's products/services, including but not limited to:
 - Products/services that expand markets for recycled materials.
 - Development of renewable energy resources or products that conserve energy.

5%

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ATTACHMENT 2

Cook County Class 6(b) Eligibility Bulletin



CLASS 6B

ELIGIBILITY BULLETIN

Cook County Living Wage Ordinance

Please be advised that every applicant for this incentive will be required to provide an affidavit to the Assessor's Office to confirm compliance with the Cook County Living Wage Ordinance. The Cook County Assessor will not grant any request for incentive classification until it receives the required affidavit.

Incentive Benefits

The Class 6b classification is designed to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of Class 6b is to attract new industry, stimulate expansion and retention of existing industry and increase employment opportunities.

Under the incentive provided by Class 6b, qualifying industrial real estate would be eligible for the Class 6b level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Where buildings or other structures qualify for the incentive as new construction or as abandoned property as defined below, the reduced level of assessment under Class 6b will apply to those structures in their entirety as well as to the land upon which they are situated. Where there is substantial rehabilitation of an existing structure which has not been abandoned, the reduced incentive level of assessment is applicable to the additional market value attributable to the rehabilitation, including qualified land related to the rehabilitation. ***(Please note that the additional value attributable to the rehabilitation for assessment purposes is likely to be lower than the actual amount spent on the rehabilitation.)*** Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

Eligibility Requirements

Real estate is eligible for Class 6b status under the following conditions:

1. The real estate is used primarily for "industrial purposes".
2. There is either (a) new construction, (b) substantial rehabilitation, or (c) substantial re-occupancy of "abandoned" property.
3. An Eligibility Application and supporting documents have been timely filed with the Office of the Assessor according to deadlines as set forth in the "What Must Be Filed" and "Time for Filing" sections of this Bulletin.
4. The municipality in which such real estate is located (or the County Board, if the real estate is located in an unincorporated area) must, by lawful resolution or ordinance, expressly state that it supports and consents to the filing of a Class 6b Application and that it finds Class 6b necessary for development to occur on the subject property.

The following definitions, as set forth in the Cook County Real Property Assessment Classification Ordinance, pertain to the Class 6b incentive provision:

Industrial purposes: "Any real estate used primarily in manufacturing ... or in the extraction or processing of raw materials unserviceable in their natural state to create new physical products or materials, or in the processing of materials for recycling, or in the transportation or storage of raw materials or finished or partially finished physical goods in the wholesale distribution of such materials or goods for sale or leasing."

Manufacturing: "The material staging and production of goods used in procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes existing material into new shapes, new qualities, or new combinations and including research and development associated with the production of goods."

Abandoned property: "Buildings and other structures that, after having been vacant and unused for at least 24 continuous months, are purchased for value by a purchaser in whom the seller has no direct financial interest." An exception to this definition shall be, "if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is 'abandoned' for the purpose of Class 6b."

The finding of abandonment, along with the specification of the special circumstances, shall be included in the resolution or ordinance supporting and consenting to the incentive application. Notwithstanding the foregoing, special circumstances may not be determined to justify finding that a property is deemed "abandoned" where:

- A. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
- B. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

If the ordinance or resolution containing a finding of "special circumstances" is that of a municipality, the approval of the County Board of Commissioners is required to validate such a finding that the property is deemed "abandoned" for purposes of the incentive, and a resolution to that effect shall be included with the eligibility application.

What Must Be Filed

An applicant seeking the reclassification of real estate to Class 6b is required to file a "Class 6b Eligibility Application" with the Office of the Assessor. At the time of filing the application, a filing fee of \$500.00 must be paid. In addition, an applicant may submit, at the same time, a certified copy of an ordinance or resolution adopted by the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) expressly stating that it supports and consents to the filing of a Class 6b Application and that it finds Class 6b necessary for development to occur on the subject property. If the resolution is not filed at the time the Eligibility Application is submitted to the Assessor, the applicant must file, at that time, a letter from the municipality or the County Board confirming that a resolution or ordinance supporting the incentive has been requested. If the applicant is seeking to apply based on the reoccupation of abandoned property and will be seeking a finding of "special circumstances" from the municipality, in addition to obtaining a letter from the municipality confirming that a resolution or ordinance supporting the incentive has been requested, the applicant must also file a letter from the County Board confirming that a resolution validating a municipal finding of special circumstances has been requested.

Should the municipality or the County Board, at a later date, deny the applicant's request for a resolution or ordinance, whether or not construction or re-occupancy has begun, the applicant will be deemed ineligible for reclassification to Class 6b. Any information that is not known or any supporting documents that are not available at the time of the initial filing must be submitted as a supplement to the Application.

After the construction or re-occupancy has taken place, an applicant must also file an "Incentives Appeal Form" requesting that the real estate be reclassified to Class 6b. At the time of filing the appeal, an appeal fee of \$100.00 must be paid. If a resolution from the municipality where the property is located, or the Cook County Board of Commissioners if located in an unincorporated area, was not filed with the Eligibility Application, the applicant must file a certified copy of the resolution or ordinance supporting the incentive at this time. No final action on a request for reclassification to Class 6b will be taken until an Appeal and an Eligibility Application, along with the required documentation as described therein, are completed and filed with the Office of the Assessor.

In addition, during the term of the incentive, the Class 6b recipient must file a triennial affidavit attesting to the use of the property and the number of workers employed at the Class 6b site. The Assessor will mail Class 6b recipients the affidavit forms at the time of their triennial reassessments. The affidavit must be signed, notarized and returned to the Assessor within three weeks. Failure to file the triennial affidavits within that time will result in the loss of the incentive.

Time for Filing

The Eligibility Application along with the appropriate resolution or letter confirming that a resolution has been requested *must be filed* with the Assessor *prior to*, but no earlier than one year before, *commencement of new construction* (excluding demolition, if any) *or substantial rehabilitation*. With respect to abandoned property, the eligibility application must be made to the Assessor ***prior to the commencement of the reoccupation of the vacant and unused property.***

Where reoccupation of "abandoned" property and subsequent substantial rehabilitation is planned, a single Eligibility Application and resolution, ordinance, or letter confirming that a resolution has been requested, may be filed for both situations, provided that the Application is filed prior to the commencement of reoccupation and such rehabilitation.

To finalize the classification change, a "Real Estate Assessed Valuation Appeal" must be filed after the construction or re-occupancy has taken place. In instances where a certified copy of an ordinance or resolution expressly stating that the municipality or County Board supports and consents to filing of a Class 6b Application has not yet been filed, it must be filed at this time. For the purpose of certifying final assessments on a timely basis to the Board of Appeals, deadlines for filing Appeals are established on a township basis. Check with the Office of the Assessor to determine when the deadline occurs for a particular township.

The 6b classification may be renewed during the last year in which a property is entitled to a 10% assessment level or when the incentive is still applied at the 15% or 20% assessment level, by filing a renewal application and a certified copy of a resolution or ordinance adopted by the municipality in which the real estate is located, or by the County Board, if located in an unincorporated area of Cook County, expressly stating that it supports and consents to the renewal of the Class 6b incentive and that it has determined that the industrial use of the property is necessary and beneficial to the local economy. The notice of intent to request renewal will be forwarded by the Assessor's Office to the Cook County Board. The owners must notify the Assessor's Office of their intent to request renewal at the time they request a resolution or ordinance agreeing to the renewal from the municipality or County Board. The number of renewal period requests is not limited.

Questions regarding Class 6b may be directed to the Development Incentives Department of the Office of the Cook County Assessor, Room 301, 118 North Clark Street, Chicago, Illinois 60602, (312) 603-7529.

ATTACHMENT 3

**NAPCO 6(b) Summary Letter,
Exhibits, and 6(b) Application**

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VIA E-MAIL

May 4, 2016

Mr. Jeff Brady, AICP
Village of Glenview
Director of Planning
2500 East Lake Ave
Glenview, IL 60026

Dear Mr. Brady:

We are sending this proposal on behalf of North American Corporation of Illinois, (hereinafter "NA") who occupies the real estate located at 2101 Claire Ct., Glenview, IL 60025 identified as Property Index Numbers 04-22-406-002-0000 and 04-22-406-003-0000.

We hereby formally request a Municipal Resolution from the Village of Glenview which determines that the above-referenced real estate is appropriate for a renewal of the 6B real estate tax incentive.

On March 17, 1998, the Village of Glenview originally passed a resolution which supported and consented to the 6B incentive for the subject property, because it was necessary for development to occur. The original 6B incentive was renewed by the Village on June 19, 2007. The 6B incentive is once again eligible for renewal.

The subject property is improved with a one-and part two-story, precast concrete panel, office / light-industrial building constructed in 1999. It consists of 272,654 square feet of net rentable building area, including approximately 44,282 square feet of finished office space and 33,000 square feet of industrial mezzanine space. The building is situated on 744,766 square feet of land.

The 6B incentive was never designed to provide financially unstable industrial companies a real estate tax subsidy to help them on the path to economic solvency. Rather, it was designed to attract new industry, stimulate expansion and retain existing industry and increase employment opportunities in Cook County.

When the 6B program was first adopted by the Cook County Board of Commissioners, the intention was to have industrial properties taxed at a similar rate as industrial properties in the collar counties and ultimately the 6B program would no longer be necessary. Because this has never been realized, the Class 6B incentive is not only still necessary, it has been readopted and expanded several times in the past 20 years. Because the collar counties of Illinois continue to have such a competitive advantage over Cook County from a real estate tax perspective, the Cook County Board of Commissioners adapted the current Class 6B real estate tax incentive, specifically the extension provision, to help maintain the industrial base in Cook County communities. Of course, municipal support is required and is the reason NA is requesting this resolution.

NA is continuing to grow. When they first occupied the Glenview location, they employed 250 employees. They now employ 324 employees. In addition to the Glenview facility, they currently occupy a 122,000 square foot facility in Kenosha, Wisconsin. They now have expansion plans to either construct a 100,000 square foot addition to the Glenview location, or they have the option of occupying the 75,000 square foot space next to the Kenosha location.

Their first choice is to expand the Glenview facility. They are considering adding 100,000 square feet of warehouse, which is estimated to cost \$6.5 million. The construction project is estimated to produce 125 construction jobs.

A renewal of the existing 6B incentive will give NA the opportunity to expand its operations in Glenview. If the 6B is not renewed, the property will see a sharp increase in the real estate taxes due to the expiring incentive, which will force NA to reconsider its expansion options. When comparing the real estate taxes between Glenview and Kenosha, in 2015 NA paid \$98,723 in real estate taxes for the Kenosha location. This equates to \$0.81 psf. In 2015 with the 6B incentive in Glenview, NA paid \$315,931 in real estate taxes, which equates to \$1.16 psf. Without the 6B, the 2015 real estate taxes in Glenview would have been \$2.89 psf.

By supporting a renewal on the existing facility, the Village of Glenview is in a position to guarantee stability in its community and provide opportunity for future growth which will benefit both NA and the Village.

NA is a unique wholesale distribution company because it generates sales tax revenue. In 2015, NA generated \$4,484,833 in Illinois Sales Tax Revenue. The expansion plans are estimated to generate an additional \$30-\$40 Million in sales at maturity. This sales tax revenue is a direct benefit to State and local governments and it is in their interest to maintain the revenue currently generated and provide NA the opportunity to generate more.

Mr. Jeff Brady, AICP
Village of Glenview
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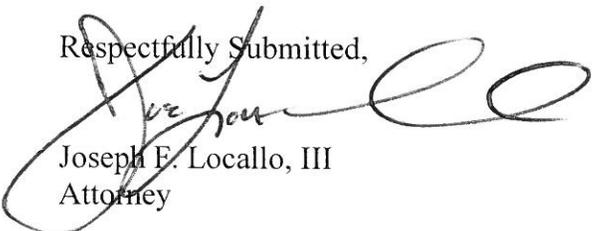
As a reference, in 2015 NA generated \$23,227,144 in Wisconsin sales which produced \$303,942 in Wisconsin sales tax. Some of this revenue would have been generated in Illinois if they had more space in the Glenview facility.

Compared to Illinois, real estate taxes and sales tax are lower in Wisconsin, and these are significant expense items that NA most consider when deciding where they should expand. Renewing the 6B incentive will make it more economically feasible for NA to expand in Illinois.

Specifically, we are requesting that the Village of Glenview pass a resolution expressly stating, "the Village of Glenview supports and consents to this Class 6B Renewal and has determined that the industrial use of the property is necessary and beneficial to the local economy."

Please review the enclosed documents and contact us with any questions or if any additional documentation is required.

Respectfully Submitted,


Joseph E. Locallo, III
Attorney

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VIA E-MAIL

November 2, 2016

Mr. Jeff Brady, AICP
Village of Glenview
Director of Planning
2500 East Lake Ave
Glenview, IL 60026

RE: Request for Class 6B Renewal

Dear Mr. Brady:

Please allow this letter to serve as a summary of our request for a renewal of the 6B real estate tax incentive for North American Corporation of Illinois's (hereinafter "NA") property located at 2101 Claire Ct., Glenview, IL 60025.

To summarize our previous conversation, the Village of Glenview will support a renewal of the 6B real estate tax incentive, if NA agrees to expand its current operation in Glenview by constructing an addition at their current Glenview location. The Village will also support a 6B incentive on the future addition. The terms of these deals will be agreed upon by all parties in a separate written agreement(s).

For your review, we are enclosing the following:

1. We have attached a copy of the Cook County Assessor's 6B renewal application.
2. We have provided a real estate tax scenario projections and analysis exhibit.

3. We have provided a narrative describing the Glenview expansion and an estimation of Job Growth for the Glenview Expansion.

We believe that renewing the 6B incentive and granting the 6B on the additional is beneficial for all parties. The addition will create added real estate tax and sales tax revenue. It will create construction jobs and future permanent jobs. Alternatively, if the 6B is not renewed and the expansion in Glenview does not happen, there is no new revenue generated. If the real estate taxes increase on the existing facility, none of that revenue goes to the local taxing districts. The tax levy does not increase.

Please review and let us know if any additional documentation is needed to complete our application.

Respectfully,

Joseph F. Locallo, III
Attorney

DESCRIPTION OF ADDITION AND PROJECTION OF JOB GROWTH

- **Current Employment**
 - NA is a major employer in the Village, with approximately 300 full-time equivalent positions currently in the Facility

- **Basic expansion plans**
 - NA plans to construct a 100,000 square foot addition to the existing facility.
 - It will be primarily for warehousing and distribution.
 - The construction and design will meet the same impressive standard of the existing facility.
 - Should NA's needs suggest additional office space, they plan to expand the current office footage into the existing warehouse to keep it contiguous.

- **Estimated Cost of Construction**
 - The cost of construction is estimated to be \$6,500,000.
 - The cost of Facility improvements is estimated to be approx. \$500,000

- **Estimated amount of construction jobs**
 - NA's construction advisor estimates approx. 125 constructions workers on site during construction.

- **Estimated timing of Completion**
 - Approximately 3-5 years

- **Estimated added sales tax revenue**
 - Best estimate at this time and additional \$30-40 Million at maturity

- **Estimated Job Growth**
 - NA projects an additional warehouse labor of 30-35 at full capacity



CLASS 6B/8
RENEWAL APPLICATION

Control Number

A certified copy of the resolution or ordinance obtained from the municipality in which the real estate is located, or from the Cook County Board of Commissioners if located in an unincorporated area, must accompany this Renewal Application. This application, resolution and a filing fee of \$500.00 must be filed. For assistance in preparing this Renewal Application, please contact the Cook County Assessor's Office Development Incentives Department at (312) 603-7529.

I. Identification of Applicant

Name: North American Corporation of Illinois Telephone: (847) 832-4000
Address: 2101 Claire Court
City, State: Glenview, IL Zip Code: 60025
Email Address: regan@NA.com

Agent/Representative (if any)

Name: Joseph F. Locallo, III Telephone: (312) 255-8550
Address: 734 N. Wells Street
City, State: Chicago, IL Zip Code: 60654
Email Address: jfl1111@amari-locallo.com

II. Description of Subject Property

Street address: 2101 Claire Court
City, State: Glenview, IL Zip Code: 60025
Permanent Real Estate Index Number (s): 04-22-406-002-0000
04-22-406-003-0000

Township: Northfield

III. Identification of Persons or Entities Having an Interest

Attach a current and complete list of all owners, developers, occupants and other interested parties (including all beneficial owners of a land trust) identified by names and addresses, and the nature and extent of their interest.

Attach legal description, site dimensions and square footage, and building dimensions and square footage.

IV. Property Use

Attach a current and detailed description of the precise nature and extent of the use of the subject property, specifying in the case of multiple uses the relative percentages of each use.

If there have been any changes from the original application, include current copies of materials which explain each occupant's business, including corporate letterhead, brochures, advertising material, leases, photographs, etc.

V. Nature of Development

Indicate the nature of the original development receiving the Class 6B/8 designation

] New Construction

] Substantial Rehabilitation

] Occupation of Abandoned Property - No Special Circumstance

] Occupation of Abandoned Property - With Special Circumstance

VI. Employment

How many permanent full-time and part-time employees do you now employ?

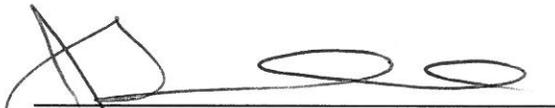
On-Site: Full-time: 304 Part-time: _____

In Cook County: Full-time: 304 Part-time: _____

VII. Local Approval

A certified copy of a resolution or ordinance from the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) must accompany this renewal. The ordinance or resolution must expressly state that the municipality supports and consents to this Class 6B/8 Renewal and has determined that the industrial use of the property is necessary and beneficial to the local economy.

Joseph Locallo I, the undersigned, certify that I have read this Renewal Application and that the statements set forth in this Renewal Application and in the attachments hereto are true and correct, except as those matters stated to be on information and belief and as to such matters the undersigned certifies that he/she believes the same to be true.



Signature

6-10-15

Date

Joseph F. Locallo, III

Print Name

Attorney

Title

REAL ESTATE SCENARIO PROJECTIONS AND ANALYSIS

The 2016 tax year is the 10th year of the existing 6B real estate tax incentive. The level of assessment for 2016 is 10%. The level of assessment will phase up to 15% in 2017 and then 20% in 2018. The incentive will completely phase out by year 2019.

The following is an estimate of the real estate taxes for tax years 2015 through 2028 assuming that the 6B incentive is not renewed on the existing structure.

Please note that we have estimated a 5% increase in real estate tax per every triennial. Tax years 2017 and 2018 reflect phase out years with level of assessments changing from 15% and 20% respectively.

Our estimation follows:

(ORIGINAL BUILDING 6B IS NOT RENEWED)

| Tax Year | Assessed Value | State Multiplier | EAV | Tax Rate | Real Estate Tax |
|-----------------|-----------------------|-------------------------|------------|-----------------|------------------------|
| 2015 | 1,336,005 | 2.6685 | 3,565,129 | 9.027% | \$ 321,824.23 |
| 2016 | | | | | \$ 337,915.44 |
| 2017 | | | | | \$ 506,873.16 |
| 2018 | | | | | \$ 674,141.30 |
| 2019 | | | | | \$ 707,848.36 |
| 2020 | | | | | \$ 707,848.36 |
| 2021 | | | | | \$ 707,848.36 |
| 2022 | | | | | \$ 743,240.78 |
| 2023 | | | | | \$ 743,240.78 |
| 2024 | | | | | \$ 743,240.78 |
| 2025 | | | | | \$ 780,402.82 |
| 2026 | | | | | \$ 780,402.82 |
| 2027 | | | | | \$ 780,402.82 |
| 2028 | | | | | \$ 819,422.96 |

We have conducted a similar analysis assuming that the 6B is renewed on the exiting building. The same time period and variables were used. Note that 2027 and 2028 now reflect phase out years with level of assessments changing from 15% and 20% respectively.

(ORIGINAL BUILDING 6B IS RENEWED)

| Tax Year | Assessed Value | State Multiplier | EAV | Tax Rate | Real Estate Tax |
|-----------------|-----------------------|-------------------------|------------|-----------------|------------------------|
| 2015 | 1,336,005 | 2.6685 | 3,565,129 | 9.027% | \$ 321,824.23 |
| 2016 | | | | | \$ 337,915.44 |
| 2017 | | | | | \$ 337,915.44 |
| 2018 | | | | | \$ 337,915.44 |
| 2019 | | | | | \$ 354,811.21 |
| 2020 | | | | | \$ 354,811.21 |
| 2021 | | | | | \$ 354,811.21 |
| 2022 | | | | | \$ 372,551.77 |
| 2023 | | | | | \$ 372,551.77 |
| 2024 | | | | | \$ 372,551.77 |
| 2025 | | | | | \$ 391,179.36 |
| 2026 | | | | | \$ 391,179.36 |
| 2027 | | | | | \$ 586,769.04 |
| 2028 | | | | | \$ 780,402.82 |

It is important to note that this potential increase in real estate tax will only affect NA. Because of how the tax levy is calculated and allocated, the additional real estate tax revenue that is generated from the loss of the 6B renewal will not result in added revenue to the local taxing districts.

The potential real estate tax increase from the loss of the 6B incentive has a negative impact on NA's expansion plans.

ADDITION

Using the same variables above we have completed an estimate of the potential real estate tax resulting from the addition with and without 6B.

We use the 2015 real estate tax from the original building as a base year when calculating the future tax amounts on the addition.

(ADDITION BUILDING WITH 6B)

| Tax Year | | | TAX PSF | Addition Sq. Ft. | Real Estate Tax |
|-----------------|--|--|----------------|-------------------------|------------------------|
| 2015 | | | \$ 1.18 | 100,000 | \$ 118,000.00 |
| 2016 | | | | | \$ 123,900.00 |
| 2017 | | | | | \$ 123,900.00 |
| 2018 | | | | | \$ 123,900.00 |
| 2019 | | | | | \$ 130,095.00 |
| 2020 | | | | | \$ 130,095.00 |
| 2021 | | | | | \$ 130,095.00 |
| 2022 | | | | | \$ 136,599.75 |
| 2023 | | | | | \$ 136,599.75 |
| 2024 | | | | | \$ 136,599.75 |
| 2022 | | | | | \$ 143,429.74 |
| 2023 | | | | | \$ 143,429.74 |
| 2024 | | | | | \$ 143,429.74 |
| 2022 | | | | | \$ 143,429.74 |
| 2023 | | | | | \$ 143,429.74 |
| 2024 | | | | | \$ 143,429.74 |
| 2025 | | | | | \$ 150,601.22 |
| 2026 | | | | | \$ 150,601.22 |
| 2027 | | | | | \$ 150,601.22 |
| 2028 | | | | | \$ 158,131.29 |
| 2029 | | | | | \$ 158,131.29 |
| 2030 | | | | | \$ 158,131.29 |
| 2031 | | | | | \$ 166,037.85 |
| 2032 | | | | | \$ 166,037.85 |
| 2033 | | | | | \$ 166,037.85 |
| 2034 | | | | | \$ 174,339.74 |

(ADDITION BUILDING WITHOUT 6B)

| Tax Year | | | TAX PSF | Addition Sq. Ft. | Real Estate Tax |
|-----------------|--|--|----------------|-------------------------|------------------------|
| 2015 | | | \$ 1.18 | 100,000 | \$ 118,000.00 |
| 2016 | | | | | \$ 206,500.00 |
| 2017 | | | | | \$ 206,500.00 |
| 2018 | | | | | \$ 206,500.00 |
| 2019 | | | | | \$ 216,825.00 |
| 2020 | | | | | \$ 216,825.00 |
| 2021 | | | | | \$ 216,825.00 |
| 2022 | | | | | \$ 227,666.25 |
| 2023 | | | | | \$ 227,666.25 |
| 2024 | | | | | \$ 227,666.25 |
| 2022 | | | | | \$ 239,049.56 |
| 2023 | | | | | \$ 239,049.56 |
| 2024 | | | | | \$ 239,049.56 |
| 2022 | | | | | \$ 239,049.56 |
| 2023 | | | | | \$ 239,049.56 |
| 2024 | | | | | \$ 239,049.56 |
| 2025 | | | | | \$ 251,002.04 |
| 2026 | | | | | \$ 251,002.04 |
| 2027 | | | | | \$ 251,002.04 |
| 2028 | | | | | \$ 263,552.14 |
| 2029 | | | | | \$ 263,552.14 |
| 2030 | | | | | \$ 263,552.14 |
| 2031 | | | | | \$ 276,729.75 |
| 2032 | | | | | \$ 276,729.75 |
| 2033 | | | | | \$ 276,729.75 |
| 2034 | | | | | \$ 290,566.24 |

(WISCONSIN)

Real estate taxes in Wisconsin are significantly lower compared to Cook County. NA leases 122,000 square feet, in an 184,000 square foot industrial facility in Racine County, Town of Yorkville in the State of Wisconsin. Below is a short summary of the real estate taxes on the entire building from 2012 – 2015.

(HISTORICAL WISCONSIN TAX (ENTIRE BUILDING))

| Tax Year | Market Value | Level of Assessment | Assessed Value | Tax Rate | Real Estate Tax |
|-----------------|---------------------|----------------------------|-----------------------|-----------------|------------------------|
| 2012 | \$ 8,290,000 | 96% | 7,960,500 | 1.905% | \$ 151,645.04 |
| 2013 | \$ 8,290,000 | 96% | 7,960,500 | 1.926% | \$ 153,312.57 |
| 2014 | \$ 8,290,000 | 96% | 7,960,500 | 1.834% | \$ 146,014.00 |
| 2015 | \$ 8,290,000 | 96% | 7,960,500 | 1.820% | \$ 144,912.24 |

NA is currently responsible for 66% of the real estate taxes. For example, their tax liability for 2015 was \$95,972. While the market value of the entire property has remained consistent since 2012, the real estate taxes have decreased over the past 3 years because of reductions in the local tax levy.

NA has a right of first refusal to occupy the remaining space in their Wisconsin location. We have provided the following real estate tax projection, which assumes that NA decides to occupy the remaining space in their Wisconsin building.

The average tax rate over the last 4 years has been 1.871%. Assuming, a market value increase of 2.5% every quadrennial and an average tax rate of 1.871%, we have projected the following real estate taxes from 2015 through 2029.

| Tax Year | Market Value | Level of Assessment | Assessed Value | Tax Rate | Real Estate Tax |
|-----------------|---------------------|----------------------------|-----------------------|-----------------|------------------------|
| 2015 | \$ 8,290,000 | 96% | 7,960,500 | 1.820% | \$ 144,912.24 |
| 2016 | \$ 8,497,250 | 96% | 8,157,360 | 1.870% | \$ 152,542.63 |
| 2017 | \$ 8,497,250 | 96% | 8,157,360 | 1.870% | \$ 152,542.63 |
| 2018 | \$ 8,497,250 | 96% | 8,157,360 | 1.870% | \$ 152,542.63 |
| 2019 | \$ 8,497,250 | 96% | 8,157,360 | 1.870% | \$ 152,542.63 |
| 2020 | \$ 8,709,681 | 96% | 8,361,294 | 1.870% | \$ 156,356.20 |
| 2021 | \$ 8,709,681 | 96% | 8,361,294 | 1.870% | \$ 156,356.20 |
| 2022 | \$ 8,709,681 | 96% | 8,361,294 | 1.870% | \$ 156,356.20 |
| 2023 | \$ 8,709,681 | 96% | 8,361,294 | 1.870% | \$ 156,356.20 |
| 2024 | \$ 8,927,423 | 96% | 8,570,326 | 1.870% | \$ 160,265.10 |

| | | | | | |
|------|--------------|-----|-----------|--------|-----------------|
| 2025 | \$ 8,927,423 | 96% | 8,570,326 | 1.870% | \$ 160,265.10 |
| 2026 | \$ 8,927,423 | 96% | 8,570,326 | 1.870% | \$ 160,265.10 |
| 2027 | \$ 8,927,423 | 96% | 8,570,326 | 1.870% | \$ 160,265.10 |
| 2028 | \$ 8,927,423 | 96% | 8,570,326 | 1.870% | \$ 160,265.10 |
| 2029 | \$ 9,150,609 | 96% | 8,784,585 | 1.870% | \$ 164,271.73 |
| | | | | Total | \$ 2,346,104.80 |

TOWN OF YORKVILLE, TREASURER
 925 15TH AV
 UNION GROVE WI 53182

**RACINE COUNTY - STATE OF WISCONSIN
 PROPERTY TAX BILL FOR 2015
 REAL ESTATE**

GRANDVIEW INTERSTATE CENTER TWO LLC



Parcel Number: 018 032124001035
 Bill Number: 83064

83064/018 032124001035
 GRANDVIEW INTERSTATE CENTER TWO LLC
 1808 SWIFT DR
 OAK BROOK IL 60523

*1800 Sylvania
 272009-2500
 JP*

Important: Be sure this description covers your property. Note that this description is for tax bill only and may not be a full legal description. See reverse side for important information.

Location of Property/Legal Description
 1800 SYLVANIA S AVE
 Sec. 24, T3N, R21E
 PT NE1/4 CSM #3025 V9 P813 LOT 2 FROM 018032124001031 IN
 2011 FOR 2012 ROLL **TOTAL ACRES** 10.84 **DEED IN
 ERROR**

0.000 ACRES

Please inform the county of address changes.

| ASSESSED VALUE LAND | ASSESSED VALUE IMPROVEMENTS | TOTAL ASSESSED VALUE | AVERAGE ASMT. RATIO | NET ASSESSED VALUE RATE (Does NOT reflect credits) | NET PROPERTY TAX |
|----------------------------------|--|--|--|---|------------------|
| 1,074,900 | 6,885,600 | 7,960,500 | 0.960251664 | 0.01820574 | 144850.24 |
| ESTIMATED FAIR MARKET VALUE LAND | ESTIMATED FAIR MARKET VALUE IMPROVEMENTS | TOTAL ESTIMATED FAIR MARKET VALUE | <input type="checkbox"/> A star in this box means unpaid prior year taxes. | School taxes also reduced by school levy tax credit | STORM |
| 1,119,400 | 7,170,600 | 8,290,000 | | 17,331.44 | 62.00 |
| TAXING JURISDICTION | 2014 EST. STATE AIDS ALLOCATED TAX DIST. | 2015 EST. STATE AIDS ALLOCATED TAX DIST. | 2014 NET TAX | 2015 NET TAX | % TAX CHANGE |
| STATE OF WISCONSIN | 0 | 0 | 1,373.62 | 1,410.71 | 2.7% |
| RACINE COUNTY | 184,554 | 191,631 | 31,803.85 | 32,214.22 | 1.3% |
| TOWN OF YORKVILLE | 151,086 | 152,510 | 16,845.38 | 16,700.79 | -0.9% |
| UNION GROVE UNION HS | 1,479,383 | 1,503,897 | 28,727.50 | 28,634.09 | -0.3% |
| YORKVILLE J2 | 521,849 | 455,999 | 53,187.86 | 51,967.43 | -2.3% |
| GATEWAY TEC VTAE | 97,350 | 558,188 | 6,234.99 | 6,607.64 | 6.0% |
| YORKVILLE WATER | 0 | 0 | 6,218.37 | 5,963.00 | -4.1% |
| COUNTY HANDICAPPED | 0 | 0 | 1,635.00 | 1,428.94 | -12.6% |
| TOTAL | 2,434,222 | 2,862,225 | 146,026.57 | 144,926.82 | -0.8% |
| FIRST DOLLAR CREDIT | | | -78.17 | -76.58 | -2.0% |
| LOTTERY AND GAMING CREDIT | | | 0.00 | 0.00 | 0.0% |
| NET PROPERTY TAX | | | 145,948.40 | 144,850.24 | -0.8% |

TOTAL DUE: \$144,912.24
 FOR FULL PAYMENT, PAY TO LOCAL TREASURER BY:
JANUARY 31, 2016
 Warning: If not paid by due dates, installment option is lost and total tax is delinquent subject to interest and, if applicable, penalty.
 Failure to pay on time. See reverse.

PAY 1ST INSTALLMENT OF: \$72,487.24 PAY 2ND INSTALLMENT OF: \$72,425.00 PAY FULL AMOUNT OF: \$144,912.24

PAY 1ST INSTALLMENT OF: \$72,487.24
 BY JANUARY 31, 2016

PAY 2ND INSTALLMENT OF: \$72,425.00
 BY JULY 31, 2016

PAY FULL AMOUNT OF: \$144,912.24
 BY JANUARY 31, 2016

AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 TOWN OF YORKVILLE, TREASURER
 925 15TH AV
 UNION GROVE WI 53182

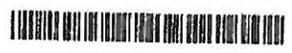
AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 RACINE COUNTY TREASURER
 730 WISCONSIN AVENUE
 RACINE, WI 53403-1274

AMOUNT ENCLOSED _____
 MAKE CHECK PAYABLE AND MAIL TO:
 TOWN OF YORKVILLE, TREASURER
 925 15TH AV
 UNION GROVE WI 53182

PIN# 018 032124001035
 GRANDVIEW INTERSTATE CENTER TWO LLC
 BILL NUMBER: 83064

PIN# 018 032124001035
 GRANDVIEW INTERSTATE CENTER TWO LLC
 BILL NUMBER: 83064

PIN# 018 032124001035
 GRANDVIEW INTERSTATE CENTER TWO LLC
 BILL NUMBER: 83064



INCLUDE THIS STUB WITH YOUR PAYMENT

INCLUDE THIS STUB WITH YOUR PAYMENT

INCLUDE THIS STUB WITH YOUR PAYMENT

Racine County

Owner (s):
**GRANDVIEW INTERSTATE CENTER
 TWO LLC**

Location:
Section,Sect. 24, T3N, R21E

Mailing Address:
**GRANDVIEW INTERSTATE CENTER
 TWO LLC
 1808 SWIFT DR
 OAK BROOK, IL 60523**

School District:
**5852 - UNION GROVE UNION HS
 6748 - YORKVILLE J2**

| | | | |
|--|---|--------------------------|-------------------------|
| Tax Parcel ID Number: 018-03-21-24-001-035 | Tax District: 018-TOWN OF YORKVILLE | Status: Active | Acres: 0.0000 |
|--|---|--------------------------|-------------------------|

Description - Comments (Please see Documents tab below for related documents. For a complete legal description, see recorded document.):

PT NE1/4 CSM #3025 V9 P813 LOT 2 FROM 018032124001031 IN 2011 FOR 2012 ROLL **TOTAL ACRES 10.84 **DEED IN ERROR****

Site Address (es): *(Site address may not be verified and could be incorrect. DO NOT use the site address in lieu of legal description.)*

1800 SYLVANIA AVE S STURTEVANT, WI 53177

0 Lottery credits claimed

Tax History

* Click on a Tax Year for detailed payment information.

| Tax Year* | Total Due | Paid to Date | Current Due | Interest | Penalty | Total Payoff |
|--------------|--------------|--------------|-------------|----------|---------|--------------------|
| 2012 | \$151,645.04 | \$151,645.04 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2013 | \$153,312.57 | \$153,312.57 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2014 | \$146,014.40 | \$146,014.40 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2015 | \$144,912.24 | \$72,487.24 | \$72,425.00 | \$0.00 | \$0.00 | \$72,425.00 |
| Total | | | | | | \$72,425.00 |

Interest and Penalty are computed for payments postmarked no later than **May 31, 2016.**

GRANDVIEW INTERSTATE CENTER - II

RACINE COUNTY, WI



Speculative Facility

- » 184,000 SF, speculative facility
- » 123,000 SF, available space
- » Offices designed to suit
- » 30' clear height
- » Precast exterior walls
- » 60' speed bay
- » 16 exterior docks (expandable)
- » 14 trailer positions
- » 2 drive-in doors
- » 226 car parking (available 186)
- » ESFR sprinkler system

Location Attributes

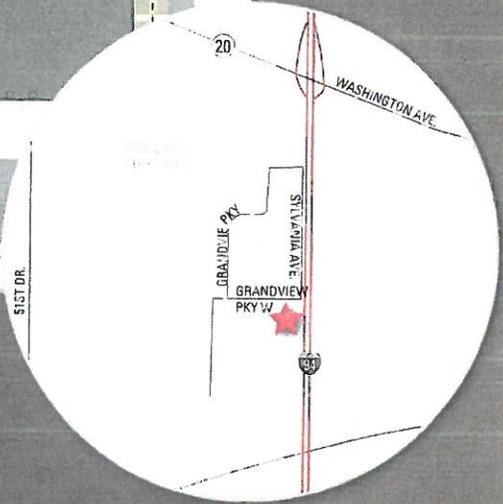
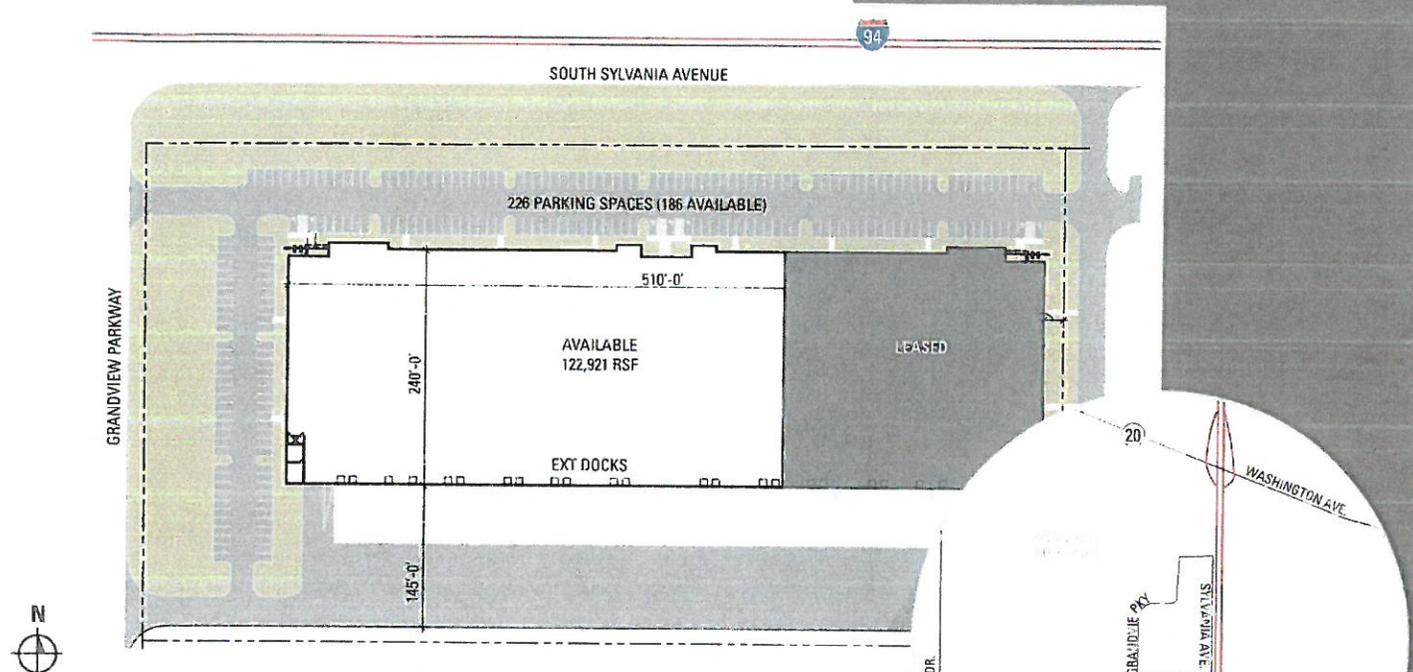
- » Class A industrial park with protective covenants
- » Excellent interstate access to I-94
- » Attractive utility rates
- » Nearby Park Amenities including restaurants, hotel and fuel stations



CenterPoint Properties

www.centerpoint-prop.com

Racine County, WI



WISCONSIN
ILLINOIS

CBRE
CB RICHARD ELLIS

| | | |
|--|---|---|
| Roger Siegel 414.274.1626 phone 414.399.0336 cell roger.siegel@cbre.com | Trent A. Poole 414.274.1609 phone 414.975.0505 cell trent.poole@cbre.com | Scott T. Furmanski 414.274.1613 phone 414.581.6613 cell scott.furmanski@cbre.com |
|--|---|---|

All information is subject to verification and no liability for errors or omissions is assumed. Price subject to change and listing may be withdrawn without notice.

Owned & Developed by



CenterPoint Properties

www.centerpoint-prop.com

1808 Swift Drive
Oak Brook, IL 60523
630.586.8000 phone
630.586.2319 fax

6750 W. Washington St.
West Allis, WI 53214
414.256.3400 phone
414.256.3401 fax



301 W. Wisconsin Avenue
Milwaukee, WI 53203
414.274.4600 phone
www.wispark.com



CLASS 6B/8
RENEWAL APPLICATION

Control Number

A certified copy of the resolution or ordinance obtained from the municipality in which the real estate is located, or from the Cook County Board of Commissioners if located in an unincorporated area, must accompany this Renewal Application. This application, resolution and a filing fee of \$500.00 must be filed. For assistance in preparing this Renewal Application, please contact the Cook County Assessor's Office Development Incentives Department at (312) 603-7529.

I. Identification of Applicant

Name: North American Corporation of Illinois Telephone: (847) 832-4000
Address: 2101 Claire Court
City, State: Glenview, IL Zip Code: 60025
Email Address: regan@NA.com

Agent/Representative (if any)

Name: Joseph F. Locallo, III Telephone: (312) 255-8550
Address: 734 N. Wells Street
City, State: Chicago, IL Zip Code: 60654
Email Address: jfl1111@amari-locallo.com

II. Description of Subject Property

Street address: 2101 Claire Court
City, State: Glenview, IL Zip Code: 60025
Permanent Real Estate Index Number (s): 04-22-406-002-0000
04-22-406-003-0000

Township: Northfield

III. Identification of Persons or Entities Having an Interest

Attach a current and complete list of all owners, developers, occupants and other interested parties (including all beneficial owners of a land trust) identified by names and addresses, and the nature and extent of their interest.

Attach legal description, site dimensions and square footage, and building dimensions and square footage.

IV. Property Use

Attach a current and detailed description of the precise nature and extent of the use of the subject property, specifying in the case of multiple uses the relative percentages of each use.

If there have been any changes from the original application, include current copies of materials which explain each occupant's business, including corporate letterhead, brochures, advertising material, leases, photographs, etc.

V. Nature of Development

Indicate the nature of the original development receiving the Class 6B/8 designation

] New Construction

] Substantial Rehabilitation

] Occupation of Abandoned Property - No Special Circumstance

] Occupation of Abandoned Property - With Special Circumstance

VI. Employment

How many permanent full-time and part-time employees do you now employ?

On-Site: Full-time: 304 Part-time: _____

In Cook County: Full-time: 304 Part-time: _____

VII. Local Approval

A certified copy of a resolution or ordinance from the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) must accompany this renewal. The ordinance or resolution must expressly state that the municipality supports and consents to this Class 6B/8 Renewal and has determined that the industrial use of the property is necessary and beneficial to the local economy.

Joseph Locallo I, the undersigned, certify that I have read this Renewal Application and that the statements set forth in this Renewal Application and in the attachments hereto are true and correct, except as those matters stated to be on information and belief and as to such matters the undersigned certifies that he/she believes the same to be true.



Signature

6-10-15

Date

Joseph F. Locallo, III

Print Name

Attorney

Title

ATTACHMENT 4

Draft Development Agreement
between NAPCO and
Village of Glenview

VILLAGE DRAFT 11/2/16

DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”) is made and entered into this ____ day of _____, 2016 (the “Effective Date”), between the Village of Glenview, an Illinois home rule municipality (the “Village”), and North American Corporation of Illinois, a Delaware corporation (“NA”). (For convenience, the Village and NA may be referred to individually as a “Party” and collectively as the “Parties.”)

RECITALS

A. The Village is a home rule unit of local government by virtue of the provisions of the Illinois Constitution of 1970.

B. NA is a Delaware corporation authorized to do business in the State of Illinois, and is the owner of a certain parcel of real property that is located in the Village, commonly known as 2101 Claire Court, Glenview, Illinois, and identified by Property Index Numbers 04-22-406-002-0000 and 04-22-406-003-0000 (the “Property”).

C. Based upon a finding that it was necessary for development of the Property to occur, on or about March 17, 1998, the Village’s corporate authorities passed a resolution supporting and consenting to a Class 6b incentive for the Property (the “6b Incentive”) under the Cook County Real Property Assessment Classification Ordinance (the “County Ordinance”). The Cook County Assessor’s Office (the “CCAO”) subsequently approved the 6b Incentive.

D. The Property is improved with an office and light industrial building consisting of approximately 272,654 square feet (the “Facility”).

E. The CCAO, with the support of the Village, renewed the 6b Incentive in 2007.

F. The 6b Incentive is again eligible for renewal (the “Second Renewal”), and NA seeks the Village’s assistance in obtaining the Second Renewal.

G. NA has represented to the Village that it intends to construct an addition to the Facility consisting of approximately 100,000 square feet (the “Addition”) for the purposes of warehousing and distribution.

H. NA anticipates spending up to \$6,500,000 on construction of the Addition, based on and subject to the prevailing construction rates for a building of similar quality of construction as the Facility at the time construction of the Addition commences, and up to \$500,000 on likely Facility improvements.

I. NA is a major employer in the Village, with approximately 300 full-time equivalent positions currently in the Facility.

J. It is anticipated that the Addition will create additional temporary and permanent

employment opportunities in the Village, and increase the Village's tax base.

K. The Village is willing to assist NA in obtaining the Second Renewal, provided it receives certain assurances from NA relating thereto, given that the industrial use of the Property is necessary and beneficial to the local economy.

L. The Village has discussed the Second Renewal and the Addition Incentive (defined herein) with the other primary taxing jurisdictions impacted by said incentives, Glenbrook High School District No. 225 and Northbrook-Glenview School District No. 30 (collectively, the "School Districts"), and the School Districts have communicated that they are in support of the Second Renewal and the Addition Incentive.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Village and NA, the Parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference as if set forth in full.

2. Construction of Addition. NA will construct or cause to be constructed the Addition, which shall be approximately 100,000 square feet in the aggregate and which shall be consistent with the high quality architectural materials and construction of the Facility, subject to all necessary regulatory approvals of the final building and site plans by the Village. The Addition shall be constructed in accordance with the following schedule:

a) NA will submit or cause to be submitted a complete application for all necessary permits for construction of the Addition (each, a "Permit") not later than December 31, 2019;

b) NA shall complete the construction of the Addition in a commercially reasonable fashion after receipt of the last necessary Permit. Subject to Force Majeure, as described in Section 5 herein, NA shall complete the Addition and obtain a certificate of occupancy from the Village no later than June 30, 2021 (the "Addition Occupancy Date").

3. Village Support for Incentive. The Village's President and Board of Trustees (collectively, the "Corporate Authorities") will adopt a resolution supporting and consenting to the Second Renewal (the "Second Renewal Resolution") in time to allow NA to include a certified copy of the Second Renewal Resolution with NA's application for the Second Renewal to be submitted to the CCAO by December 31, 2016. The Corporate Authorities will also support in good faith a Class 6b Incentive for the Addition (the "Addition Incentive") upon receipt of an application for the Addition Incentive that NA intends to file with the CCAO.

4. Default. If NA fails to complete its obligations described in Section 2 by the Addition Occupancy Date, it shall file necessary documentation with the CCAO to request that the Second Renewal be repealed. If the CCAO repeals the Second Renewal, then, from the Effective Date of this Agreement until the date of such repeal, NA shall make annual payments to the Village that equal the difference between the amount of real estate taxes that would have been received on the Property in each year absent the Second Renewal and the amount of real estate taxes actually

received on the Property during that year (each, a “Default Payment”). If the CCAO refuses to repeal the Second Renewal, then NA shall continue to make annual Default Payments to the Village for the remaining period of the Second Renewal or the Addition Incentive, whichever is longer. Notwithstanding the foregoing, the Village may, in its sole discretion, choose to extend the Addition Occupancy Date by up to two additional periods of up to three months each. If the Village chooses to so extend, then NA shall not be in default of its obligations under Section 2 or be required to make a Default Payment if it completes the Addition and obtains the certificate of occupancy by any such extended deadline agreed to by the Village (“Extended Occupancy Date”).

5. Force Majeure. NA shall not be considered in default of its obligations set forth in Section 3(b) in the event of any delay caused by damage or destruction by fire or other casualty; unusually adverse weather conditions, floods, and natural catastrophes; strikes; inability to procure or a general shortage of labor, equipment, facilities, materials, or supplies; lockouts; acts of labor unions; court orders, laws, or codes of governmental authorities; wars; or riots (collectively, “Force Majeure”). With respect to any such delay, NA shall, upon learning of the occurrence of the event of Force Majeure, immediately give written notice to the Village. NA may rely on this section to excuse failure to perform in accordance with Section 2(b) only to the extent of the number of days of delay caused by any such events of Force Majeure.

6. Tax Revenue. In consideration of the Village’s support of the Second Renewal and good faith support of the Addition Incentive, NA agrees to the following:

a) From the effective date of the Second Renewal through the end of the term of the Second Renewal or the Addition Incentive, whichever is longer, if NA receives a real estate tax refund (“Refund”) for the Property after the real estate taxes have been paid as a result of NA’s filing (i) a Certificate of Error Appeal with the CCAO, (ii) an appeal with the Property Tax Appeal Board, and/or (iii) a lawsuit in the Circuit Court of Cook County (each, a “Refund Petition”) that results in the final real estate tax amount owed for that tax year being less than the annual threshold amount for that year set forth in Schedule 1, attached hereto and incorporated herein by reference (collectively, the “Threshold Amounts”), then NA shall pay to the Village the difference between the Threshold Amount for that year and the final amount of taxes paid for that year after application of the Refund (each, a “Make Whole Payment”). NA shall pay any required Make Whole Payment not later than 30 days after receiving a Refund. The Village agrees to provide the School Districts and other applicable taxing jurisdictions with their proportionate shares of any Make Whole Payments that the Village receives from NA.

b) Beginning on January 1 of the first calendar year after the year in which the Addition Occupancy Date occurs, NA, in combination with any NA corporate affiliate that occupies the Property, agrees to generate a certain minimum amount of sales taxes at the Property, the amount of which has been calculated based on the 2016 combined Illinois sales tax rate of 9.75% of gross taxable sales (the “Combined Illinois Sales Tax Rate”). Based on the Combined Illinois Sales Tax Rate, NA shall generate a minimum of \$3,500,000 in annual Illinois sales tax revenue (the “Minimum Sales Taxes”) at the Property, subject to unforeseeable acts outside of NA’s control, including substantial changes to tax codes or tax rates. The actual annual Illinois sales tax revenue shall be confirmed using sales tax remittance reports provided to the Village by the Illinois Department of Revenue (“IDOR”) based on the schedule provided as Schedule 2. The

Parties acknowledge that the Village receives a certain percentage of the Minimum Sales Taxes (the “Village Sales Tax Revenue”) based on tax rates set by Illinois law and by the Village’s home rule authority, and that said rates are subject to change from time to time. If on December 31 of any year for the remainder of the term of the Second Renewal or the Addition Incentive, whichever is longer, the Minimum Sales Taxes are not generated, NA will make a payment to the Village consisting of the difference between the actual Village Sales Tax Revenue and the Village Sales Tax Revenue that would have been received had the Minimum Sales Taxes been generated (the “Sales Tax Differential Payment”), but in no event shall the Sales Tax Differential Payment for any year exceed the actual real estate tax savings realized on the Property for that year due to the application of the Second Renewal and the Addition Incentive. In any year in which NA generates at least \$6,250,000 in annual Illinois sales tax revenue as confirmed through the IDOR sales tax remittance reports (the “Maximum Sales Taxes”) based on the Combined Illinois Sales Tax Rate, NA will receive a credit consisting of the difference between the actual Village Sales Tax Revenue and the Village Sales Tax revenue that would have been received had the Maximum Sales Taxes had been generated (the “Sales Tax Differential Credit”). This credit would be applied against any Sales Tax Differential Payment that may become due and owing as described in this Section 6(b).

7. Vacation of Property. In the event NA or its successors or assignees materially ceases to do business at or otherwise vacates and/or abandons the Property or any portion thereof and there is no party then in possession of the Property or the vacated portions thereof (each, an “Act of Vacation”), NA shall immediately file all necessary documentation with the CCAO to cause the Second Renewal and the Addition Incentive, if granted as of the time of such Act of Vacation, to be repealed with respect to such vacated portions. If the Second Renewal and/or the Addition Incentive have not yet granted as of the Act of Vacation, NA shall immediately withdraw those applications. In those events, NA may make application to the CCAO to reclassify the vacated/abandoned portions of the Property as Class 5 property.

8. Conveyance of Property. If NA sells, transfers, or otherwise conveys (collectively, a “Conveyance”) any portion of the Property to any third-party (“Transferee”) prior to the expiration of the Second Renewal or the Addition Incentive, whichever is longer, the following provisions shall apply:

a) If the Conveyance is to a Transferee that generates equal Minimum Sales Taxes as those generated by NA, based upon corporate projections to be reasonably provided to the Village prior to any Conveyance, this Agreement will continue in full force and effect and be binding upon the Transferee and the Village, provided that the Transferee agrees in writing to be bound by the terms of this Agreement. If the Transferee refuses to be so bound, then NA shall make annual Default Payments to the Village for the remainder of the term of the Second Renewal or the Addition Incentive, whichever is longer. In such event in which the Transferee refuses to be bound, NA’s obligation to make the Default Payments shall survive the Conveyance.

b) If the Conveyance is to a Transferee that does not equal comparable Minimum Sales Taxes as those generated by NA, then NA shall, prior to completion of the Conveyance, submit documentation to the CCAO requesting that the 6b Incentive be removed from all portions of the Property subject to the Conveyance. If the CCAO refuses

to do so, then NA shall make annual Default Payments for the remainder of the term of the Second Renewal or the Addition Incentive, whichever is longer. In such event, NA's obligation to make the Default Payments shall survive the Conveyance.

c) If the Conveyance is to a corporate parent, subsidiary, or affiliate of NA, or is the result of any merger, consolidation, or other corporate reorganization involving NA, the said successor in interest shall be bound by the terms and provisions of this Agreement.

9. Indemnification. NA shall hold harmless and indemnify the Village and the Village's elected and appointed officials, employees, agents, representatives, and attorneys (collectively, the "Indemnified Parties") from and against all third-party claims that may be asserted at any time against any of the Indemnified Parties in connection with any action taken by the Village in accordance with this Agreement or at the request of NA to (i) assist NA in meeting the eligibility requirements for the Second Renewal or the Addition Incentive set forth in the County Ordinance, and (ii) otherwise assisting NA in obtaining the Second Renewal or the Addition Incentive, provided, however, the foregoing indemnification shall not apply to the willful misconduct or negligence of the Village. NA shall pay all expenses, including reasonable attorneys' fees, court costs, and administrative expenses, incurred by the Village in defending itself with regard to any and all claims referenced in this section.

10. Mutual Cooperation. The Parties shall do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the intentions of the Parties as reflected by said terms.

11. NA Representations. NA hereby represents and warrants to the Village as follows:

a) As of the date of execution of this Agreement, NA is financially solvent, able to pay its debts as they mature, and able to perform the obligations hereunder, and will promptly give written notice to the Village of any material adverse change in the financial condition of NA which would have an adverse effect on the execution, delivery, performance, or enforceability of this Agreement;

b) NA is authorized to do business in, and is in good standing in, the State of Illinois;

c) All necessary corporate, regulatory, or other similar action has been taken to authorize and empower NA to execute, deliver, and perform under this Agreement. The person(s) executing this Agreement on behalf of NA is duly authorized to do so and this Agreement is a legal, valid, and binding obligation of NA, enforceable against it in accordance with its terms, subject to bankruptcy, equitable principles, and laws affecting creditors' rights generally, regardless of whether such enforcement is considered in a proceeding in equity or at law;

d) Except for only those representations, statements, or promises expressly contained in this Agreement, no representation, statement, or promise of any kind whatsoever by the Village, its officials, agents, or employees has induced NA to enter into this Agreement or has been relied on by NA;

e) No proceeding of any kind including, without limitation, litigation or

arbitration, whether judicial or administrative, is pending or threatened against NA or contemplated by NA which would under any circumstance have any material adverse effect on the execution, delivery, performance, or enforceability of this Agreement. As of the date of execution of this Agreement, NA has not received notice, and does not to its knowledge have a reasonable basis for believing that NA or any of its corporate officers is the subject of any of the proceedings identified in the following subparts having a material adverse effect on the execution, delivery, performance or enforceability of this Agreement: (i) criminal action, complaint, or investigation pertaining to any felony charge, or (ii) any civil action or claim, predicated on alleged acts of antitrust violations, business fraud, or class discrimination due to race, creed, color, disability, gender, marital status, age, national origin, or religious affiliation;

f) NA shall provide prompt notice to the Village whenever any of the representations or warranties contained in this Section 8 ceases to be true or correct.

12. Village Representations. The Village hereby warrants and represents to NA as follows:

a) All necessary corporate, regulatory, or other similar action has been taken to authorize and empower the Village to execute, deliver, and perform this Agreement;

b) No proceeding of any kind, including, without limitation, litigation or arbitration, whether judicial or administrative, is pending or threatened against or contemplated by the Village which would under any circumstances have any material adverse effect on the execution, delivery, performance, or enforceability of this Agreement.

13. Time of the Essence. Time is of the essence in the performance of this Agreement.

14. Amendments. The Agreement may only be amended by a written instrument executed by both Parties.

15. Severability. In the event any portion of the Agreement is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, such finding as to that portion shall not affect the validity, legality, or enforceability of the remaining portions of the Agreement.

16. Governing Law; Venue. The Agreement shall be governed by the laws of the State of Illinois. Venue for all disputes arising under this Agreement shall lie exclusively in the Circuit Court of Cook County, Illinois.

17. Notices. Any notices required to be given by either Party to the other shall be in writing, and all such notices shall be made either (a) by personal delivery, (b) by a recognized courier service, such as Federal Express or UPS, or (c) by United States certified mail, postage prepaid, addressed to the receiving Party at the following addresses, or at such other place as any Party may from time to time designate in writing. Notice will be effective upon receipt if delivered personally, on the date signed for if delivered by courier service, or on the earlier of actual receipt or three (3) days after deposit in the U.S. mail if by mailing:

If to Village:
Village of Glenview

Attn: Village Manager
2500 East Lake Avenue
Glenview, IL 60026

With a copy to:

Eric G. Patt
Robbins, Salomon & Patt, Ltd.
2222 Chestnut Avenue
Suite 101
Glenview, IL 60026

If to NA:

North American Corporation of Illinois
Attn: _____
2101 Claire Court
Glenview, IL 60026

With a copy to:

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Development Agreement to be executed by their duly authorized representatives, all on the day and year first above written.

VILLAGE OF GLENVIEW

NORTH AMERICAN CORPORATION OF ILLINOIS

By: _____

By: _____

Its: _____

Its: _____

ATTEST:

ATTEST:

By: _____

By: _____

Its: _____

Its: _____

Schedule 1

Threshold Amounts

ORIGINAL BUILDING

| Year | Tax Year | Assessed Value | State Multiplier | EAV | Tax Rate | Real Estate Tax |
|-----------|----------|----------------|------------------|-----------|----------|-----------------|
| | 2015 | 1,336,005 | 2.6685 | 3,565,129 | 9.027% | \$ 321,824.23 |
| <u>1</u> | 2016 | | | | | \$ 337,915.44 |
| <u>2</u> | 2017 | | | | | \$ 337,915.44 |
| <u>3</u> | 2018 | | | | | \$ 337,915.44 |
| <u>4</u> | 2019 | | | | | \$ 354,811.21 |
| <u>5</u> | 2020 | | | | | \$ 354,811.21 |
| <u>6</u> | 2021 | | | | | \$ 354,811.21 |
| <u>7</u> | 2022 | | | | | \$ 372,551.77 |
| <u>8</u> | 2023 | | | | | \$ 372,551.77 |
| <u>9</u> | 2024 | | | | | \$ 372,551.77 |
| <u>10</u> | 2025 | | | | | \$ 391,179.36 |
| <u>11</u> | 2026 | | | | | \$ 391,179.36 |
| <u>12</u> | 2027 | | | | | \$ 586,769.04 |
| | 2028 | | | | | \$ 780,402.82 |

ADDITION

| Year | Tax Year | | TAX PSF | Addition Sq. Ft. | Real Estate Tax |
|------|----------|--|---------|------------------|-----------------|
| TBD | 2015 | | \$ 1.18 | 100,000 | \$ 118,000.00 |
| TBD | 2016 | | | | \$ 123,900.00 |
| TBD | 2017 | | | | \$ 123,900.00 |
| TBD | 2018 | | | | \$ 123,900.00 |
| TBD | 2019 | | | | \$ 130,095.00 |
| TBD | 2020 | | | | \$ 130,095.00 |
| TBD | 2021 | | | | \$ 130,095.00 |
| TBD | 2022 | | | | \$ 136,599.75 |
| TBD | 2023 | | | | \$ 136,599.75 |
| TBD | 2024 | | | | \$ 136,599.75 |
| TBD | 2022 | | | | \$ 143,429.74 |
| TBD | 2023 | | | | \$ 143,429.74 |
| TBD | 2024 | | | | \$ 143,429.74 |
| TBD | 2025 | | | | \$ 150,601.22 |
| TBD | 2026 | | | | \$ 150,601.22 |
| TBD | 2027 | | | | \$ 150,601.22 |
| TBD | 2028 | | | | \$ 158,131.29 |
| TBD | 2029 | | | | \$ 158,131.29 |
| TBD | 2030 | | | | \$ 158,131.29 |
| TBD | 2031 | | | | \$ 166,037.85 |
| TBD | 2032 | | | | \$ 166,037.85 |
| TBD | 2033 | | | | \$ 166,037.85 |
| TBD | 2034 | | | | \$ 174,339.74 |

Original Building Notes and Comments:

We know the actual 2015 taxes paid in 2016 and use this as our base year. 2016 is the first year of the next triennial reassessment period. For purposes of establishing a threshold for potential refunds, we assume a 5% increase in taxes for the next triennial period. With the same assumption for each successive triennial period. The 5% increase compounding by triennial period establishes periodic leveling in the threshold. For the first year of the phase out, we increase the taxes by 50% from the previous year because the phase out of the incentive calls for change of 50% in the level of assessment, i.e., 10% to 15%. For the second year of the phase out, we increase the taxes by 33% from the previous year because the phase out of the incentive calls for change of 33% in the level of assessment, i.e., 15% to 20%.

Addition Notes and Comments:

We apply the same formula to the Addition. We use the same base year of 2015 to establish an assumed 2015 tax payable in 2016 for the addition at 100,000 square feet at \$1.18 psf. As with the existing building, we increase the total tax amount attributable to the addition by 5% each successive triennial period, until we ultimately increase the tax amount for threshold purposes by 50% in year 11 and 33% in year 12.

This requires amending or updating the threshold agreement one time once a full year tax is established for the addition.

For purposes of the Threshold Agreement, we only add the two portions together starting the year after the addition is taxed for one full year.

Schedule 2

| Sales Tax Reporting and Remittance Schedule | | | |
|--|--|--------------------------------------|---|
| Liability Incurred | Funds Remitted to IDOR (Data to be used for Illinois Sales Tax Calculation) | Funds Remitted to Village | Month Data Received by Village |
| December | January | March | June |
| January | February | April | |
| February | March | May | |
| March | April | June | |
| April | May | July | October |
| May | June | August | |
| June | July | September | |
| July | August | October | |
| August | September | November | February |
| September | October | December | |
| October | November | January | |
| November | December | February | |