

Request for City Council Action

Date: October 23, 2012

Agenda Section: General Business		Originating Department: City Manager		
No. 5				
Item: An Ordinance Authorizing the City Manager to enter into an Economic Development Agreement with Intertape Polymer Corporation and the Mayor to Execute a Deed Transferring Real Property		Approved:		
No. 5.2				
<p>Background and Summary:</p> <p>The City of Carbondale and Intertape Polymer Corporation, a Delaware corporation, d/b/a Intertape Polymer Group (Intertape), began discussions in the Spring of 2012 regarding the acquisition of City owned land adjacent to their facility at 2200 North McRoy Drive. The acquisition would allow Intertape to have the necessary land for future growth and expansion of the facility. The expansion would allow for new job creation and the expansion of product lines. The land is generally described as the South Half of Lots 10, 11 & 12 in Bicentennial Industrial Park and located immediately south of 2200 North McRoy Drive. The value of the property is estimated at \$52,000.</p> <p>In accordance with the Carbondale Revised Code, a notice was published in the Southern Illinoisan on September 15, 2012, setting the date and time of the Public Hearing. On September 25, 2012, during the regular City Council meeting, the Public Hearing was held at which time no one spoke in favor of or in opposition to the matter.</p> <p>As part of the discussions, Intertape indicated they were looking to consolidate plant operations and the Carbondale facility was one being considered. The Carbondale facility is capable of housing the expansion of some product lines if it were selected. Intertape currently maintains a staff of 68 employees and if chosen to be the site of the expansion, employment would grow by an additional 37 employees to a total of 105. This represents a 54% increase.</p> <p>City staff, along with representatives from the Illinois Department of Commerce and Economic Opportunity (DCEO) and Jackson Growth Alliance, have prepared an economic incentive package that includes the transfer of real estate and a forgivable loan in the amount of \$194,500.00 from the City and tax credits from the DCEO Economic Development For a Growing Economy Tax Credit Program (EDGE).</p> <p>In consideration of these incentives, Intertape agrees to expand current production lines at the Carbondale tape plant, hire 37 new full-time employees and maintain 68 current full-time employees, for a total of 105 full-time employees. Intertape will also transfer approximately \$7,500,000.00 gross cost, of existing machinery and equipment from other facilities owned and operated by Intertape to the Carbondale plant. It will, in addition, purchase approximately \$3,000,000.00 in new equipment related to more environmentally friendly and cost effective manufacturing processes.</p>				
Engineering Approval Obtained	Finance Approval Obtained	Legal Approval Obtained	Approval Obtained	Manager's Approval Obtained
Council Action: Motion by: _____		2nd by: _____		to: _____

The City will transfer the real estate described above at no cost to Intertape and the City will make a non-interest bearing loan to Intertape in the amount of \$194,500.00. The proceeds from the loan shall be used in the operation of the Carbondale plant, to cover some of the cost in relocating equipment to the Carbondale plant, and to increase the work force at the Carbondale plant. The loan shall be for a term of five years and shall be forgiven based on employee retention and creation as outlined in the agreement. The total incentive package offered by the City is valued at \$246,500.00.

Recommended Action:

The City Council is requested to adopt an Ordinance authorizing the City Manager to execute an Economic Development Agreement with Intertape Polymer Corporation, and authorizing the Mayor to execute a Warranty Deed to Intertape Polymer Corporation for the sale of land in the Bicentennial Industrial Park.

CITY OF CARBONDALE, ILLINOIS

ORDINANCE NO. 2012- ____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ECONOMIC DEVELOPMENT AGREEMENT WITH INTERTAPE POLYMER CORP., AND THE MAYOR TO EXECUTE A DEED TRANSFERRING REAL PROPERTY

ADOPTED BY THE CITY COUNCIL

OF THE CITY OF CARBONDALE, ILLINOIS

THE 23RD DAY OF OCTOBER, 2012

Published in pamphlet form by authority of the City Council of the City of Carbondale, Jackson County, Illinois, this 24th day of October, 2012.

CERTIFICATE OF PUBLICATION

I, Rachael E. Moore, the duly qualified City Clerk of the City of Carbondale, Illinois, and the official custodian of the records of said City, do hereby certify that this ordinance was published in pamphlet form by authority of the City Council on the 24th day of October, 2012.

Rachael E. Moore, City Clerk

ORDINANCE NO. 2012-____

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN ECONOMIC DEVELOPMENT AGREEMENT WITH INTERTAPE POLYMER CORP., AND THE MAYOR TO EXECUTE A DEED TRANSFERRING REAL PROPERTY

WHEREAS, the City of Carbondale, Illinois, is a home rule unit of local government under the Illinois Constitution, 1970, Article VII, Section 6; and

WHEREAS, pursuant to Article VII, Section 6(a), of the Illinois Constitution, 1970, the City of Carbondale may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare; and

WHEREAS, the City of Carbondale may sell or convey real estate when City-owned property is no longer necessary, appropriate, required for the use of, profitable to or for the best interests of the City, but instead would be of value to promote economic, industrial, commercial or residential development or redevelopment within the City, under Section 1-13-8 C. of the Carbondale Revised Code; and

WHEREAS, the City of Carbondale is an Illinois municipal corporation, hereinafter referred to as "Seller" and Intertape Polymer Corp., a Delaware corporation, d/b/a Intertape Polymer Group, successor by merger to Central Products Company, a Delaware corporation, hereinafter referred to as "Buyer"; and

WHEREAS, the City of Carbondale has determined that said property is no longer necessary, appropriate or required for the use of City of Carbondale and therefore is in the City's best interest to convey said property to Intertape Polymer Group for its expansion, which would have a positive economic impact on the City of Carbondale; and

WHEREAS, the City Manager has published in the Southern Illinoisan on September ____, 2012, the required notice for authorization of the execution of a deed of transfer for the said real estate, pursuant to Section 1-13-8 C. of the Carbondale Revised Code.

WHEREAS, the City of Carbondale, and Intertape Polymer Corp., a Delaware corporation, d/b/a Intertape Polymer, have entered into negotiations concerning the transfer of real property to Intertape Polymer Corp., as part of those negotiations, Intertape Polymer Corp., and the City of Carbondale have proposed as part of the sale an economic development agreement, attached hereto and incorporated herein as Exhibit “A”; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CARBONDALE AS FOLLOWS:

SECTION 1. That the City Council deems it in the best interest of the citizens of Carbondale to transfer in fee simple to Intertape Polymer Corp., a Delaware corporation, part of Lots 10, 11, and 12, located in the Bi-Centennial Park, being a subdivision of part of the Northeast Quarter and a part of the Northwest Quarter of Section 9, Township 9 South, Range 1 West of the Third Principal Meridian, Jackson County, Illinois, as shown by the recorded plat thereof in Book 12 of Plats at Page 49A at the Recorder’s Office of Jackson County, Illinois, and enter into the economic development agreement, Exhibit “A”.

SECTION 2. That the Mayor of the City of Carbondale is hereby authorized to execute a Warranty Deed from the City to Intertape Polymer Corp., a Delaware corporation, a copy of which is attached hereto as Exhibit "B".

SECTION 3. That the City Manager of the City of Carbondale is hereby authorized to enter into an economic development agreement (contract), which is attached hereto as Exhibit “A”.

SECTION 4. That the Mayor and City Manager of the City of Carbondale are hereby authorized to and shall take any and all reasonable, necessary and proper action to carry out the intent and purposes of this Ordinance.

SECTION 5. That all ordinances and parts thereof in conflict herewith are expressly repealed and are of no other force and effect.

SECTION 6. That repeal of any ordinance by this Ordinance shall not affect any rights accrued or liability incurred under said repealed ordinance to the effective date hereof. The provisions of this Ordinance insofar as they are the same or substantially the same as those of any prior ordinance, shall be construed as a continuation of said prior ordinances.

SECTION 7. That it is the intention of the City Council of the City of Carbondale that this Ordinance and every provision thereof shall be considered separable, and the invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

SECTION 7. That the City Council of the City of Carbondale finds that the subject matter of this Ordinance pertains to the government and affairs of the City of Carbondale and is passed pursuant to authorities granted it by State statutes and the Home Rule powers of the City of Carbondale pursuant to the provisions of Article VII, Section 6(a) of the Illinois Constitution.

SECTION 8. That this Ordinance shall be known as Ordinance No. 2012-____ of the Ordinances of the City of Carbondale, Illinois, and shall be in full force and effect from and after its passage, approval, recording and publication in accordance with law.

APPROVED: _____

Joel Fritzler, Mayor

FOR: _____
AGAINST: _____
PASSED: _____
APPROVED: _____
RECORDED: _____
PUBLISHED: _____

ATTEST: _____

Rachael E. Moore, City Clerk

APPROVED AS TO LEGALITY AND FORM:

Lenoard "Jamie" Snyder, Assistant City Attorney

CONTRACT

WHEREAS, the City of Carbondale, Illinois, a municipal corporation existing under the laws of the State of Illinois, whose address is P.O. Box 2047, Carbondale, Illinois 62902-2047 (hereinafter "City"), entered into an agreement and transferred property pursuant to an ordinance, adopted by the City on the 5th day of August, 2008 and designated as Ordinance No. 2008-29; and

WHEREAS, Intertape Polymer Corp., a Delaware corporation, d/b/a Intertape Polymer Group, successor by merger to Central Products Company, a Delaware corporation, whose address is 3647 Cortez Rd., West, Bradenton, Florida 34210 (hereinafter "Intertape") accepted that property; and

WHEREAS, Intertape built and operated a tape plant on that said property, within the City, which said tape plant employees 68 people; and

WHEREAS, Intertape operates other plants in other areas; and

WHEREAS, Intertape has considered reorganizing and transferring its manufacturing facilities, which reorganization restructuring would require the closing of certain plants, the remodeling of other plants, and the purchase of new equipment and expense to Intertape; and

WHEREAS, the City is desirous of maintaining the Intertape plant at the City of Carbondale, and having the said plant expanded, which will have a positive economic impact on the City; and

WHEREAS, the City is willing to provide reasonable benefits to Intertape to assure continued operation and expansion of the Carbondale tape plant; and

WHEREAS, Intertape requires additional real estate to allow it to expand its facility; and

WHEREAS, the City currently has undeveloped property within its industrial park to be utilized by Intertape.

NOW, THEREFORE, in consideration of the mutual promises by the parties, as set out herein, and other valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1.

A. The City agrees to transfer in fee simple to Intertape, parts of Lots 10, 11, and 12 located in the Bi-Centennial Park, being a subdivision of part of the Northeast Quarter and a part of the Northwest Quarter of Section 9, Township 9 South, Range 1 West of the Third Principal Meridian, Jackson County, Illinois, as shown by the recorded plat thereof in Book 12 of Plats at Page 49A at the Recorder's Office of Jackson County, Illinois, and known as parcel numbers 15-09-128-009, 15-09-251-007, and 15-09-251-006.

B. Intertape shall have the right to obtain a title commitment from a title insurance company, licensed to transact business in the State of Illinois, insuring Intertape against loss or damage due to defect in the City's title with exceptions for real estate taxes, parties in possession of the real estate, utility easements of record, and any liens associated with the building on the premises incurred by Intertape or its predecessors. Within twenty-five (25) days of the date of this agreement, Intertape shall have the right to object to any matter set forth in the said title commitment. The City shall then have ten (10) days to respond to any objections and should the City be unable to remove such exceptions, Intertape will have the option to terminate this agreement or in the alternative, accept the real estate with the title defects.

C. The City agrees, that after the execution of this agreement, and until transfer of the property as set out in paragraph A above, the City shall not be able to place any burdens or

title defects on the property described in paragraph A above, without the specific consent of Intertape.

D. Upon acceptance by Intertape of the real estate as set out in paragraph A above, the City shall provide to Intertape, a Warranty Deed suitable for recording in the State of Illinois, transferring all of the City's rights, title and interest to the properties being conveyed, including all licenses or permits and entitlements associated with the property set out in paragraph A above, to be transferred to Intertape.

2. That in consideration of the above, as well as other mutual promises made by the parties, Intertape agrees to utilize the real estate as set out in paragraph 1 above for the expansion of its Carbondale tape plant and in addition agrees that it will transfer approximately \$7,500,000.00 gross cost, of existing machinery and equipment from other facilities owned and operated by Intertape to the Carbondale plant. It will, in addition, purchase approximately \$3,000,000.00 in new equipment related to more environmentally friendly and cost effective manufacturing processes to be utilized in the Carbondale plant. Intertape agrees that it will retain the current work force of 68 full-time positions and increase that work force by 37 additional full-time positions to a total work force of 105 full-time filled positions.

3. The City will transfer to Intertape, loan proceeds in the amount of \$194,500.00 to be utilized by Intertape in the operation of the Carbondale plant, to cover some of Intertape's costs in relocating equipment to the Carbondale plant, and to increase the work force at the Carbondale plant.

4. The conditions of this loan are as follows:

- A. The loan shall be in an amount of \$194,500.00.
- B. The loan shall bear no interest.

C. The loan shall be for a term of five (5) years.

D. The loan shall be forgiven under the following terms:

(i) Intertape shall provide to the City, quarterly employment reports, starting three months after the execution of this agreement, through the fifth anniversary of the execution of this agreement, which reports will provide the City with the full-time filled positions for Intertape during the quarter, and an additional listing of those full-time filled positions hired after the date of the execution of this agreement.

(ii) Upon the first anniversary of this agreement, and each subsequent anniversary through the fifth anniversary, the City agrees to release and forgive Intertape from the obligation to repay loan proceeds in an amount equal to \$500.00 per year for each new employee employed at the end of the first year and, thereafter, for each new employee retained on a four-quarter average for the next four years of this agreement, who are new employees hired after this agreement, and an additional \$300.00 for the 68 employees retained by this agreement during the first year and, thereafter, based on a four quarter average of the employees within the plant. It being the intent of the parties that if Intertape maintains a workforce of 105 full-time filled positions by the end of the first year of this agreement, and for the remaining four years succeeding this agreement, based on a four quarter average, that the full loan will be forgiven, and shown as fully paid.

(iii) If Intertape defaults in this agreement, or fails to maintain its operating plant with at least 105 full-time filled positions in the plant, and fails to maintain its Carbondale plant as an operating tape production plant or transfers ownership of the plant to a successor without the specific consent of the City, then, all loan amounts then still

outstanding will be payable to the City, and will be due and owing under the terms of this agreement.

E. The loan proceeds shall be disbursed upon execution of this agreement.

5. The City will provide Intertape all rights and privileges, included in the Carbondale – Murphysboro – Jackson County Enterprise Zone.

6. Any and all costs incurred by the parties in effectuating this agreement, shall be born by the respective parties.

7. That the real estate taxes on the real estate transferred by the City shall be prorated as of the date of transfer and Intertape will be responsible for all real estate taxes on the property transferred to Intertape thereafter.

8. That the previous agreements between the City and Intertape remain in full force and effect, except as specifically amended or changed by the terms of this agreement.

This agreement is entered into and executed this ____ day of _____, 2012 in the City of Carbondale, Illinois.

The City of Carbondale, Illinois
a municipal corporation

Attest:

Kevin Baity, City Manager

Rachael E. Moore, City Clerk

Intertape Polymer Corp., a Delaware corporation, d/b/a Intertape Polymer Group, successor by merger to Central Products Company, a Delaware corporation

Attest:

By: _____
Acknowledgement

State of Illinois
County of Jackson

I, _____, a Notary Public, do hereby certify that before me this day in person appeared Kevin Baity, personally known to me to be the City Manager of the City of Carbondale, a municipal corporation, and Rachael E. Moore, personally known to me to be the City Clerk of said City, and each severally acknowledged that they signed and delivered the foregoing instrument in the respective capacities herein set forth and caused to be affixed thereto the corporate seal of said corporation, pursuant to authority given under the articles and bylaws of the corporation, as the free and voluntary act of said corporation, and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2012.

Notary Public

State of Florida
County of Manatee

I, _____, a Notary Public, do hereby certify that before me this day in person appeared _____, personally known to me to be the _____ of Intertape Polymer Corp., a Delaware corporation, and _____, personally known to me to be the _____ of Intertape Polymer Corp., and each severally acknowledged that they signed and delivered the foregoing instrument in the respective capacities herein set forth and caused to be affixed thereto the corporate seal of said corporation, pursuant to authority given under the articles and bylaws of the corporation, as the free and voluntary act of said corporation, and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2012.

Notary Public

WARRANTY DEED

THIS INDENTURE WITNESSETH,
that the Grantor, City of Carbondale, a
municipal corporation, existing under the laws
of the State of Illinois, having its principal
office at 200 S. Illinois Avenue, Carbondale,
Illinois 62901, for and in consideration of TEN
DOLLARS AND 00/100THS (\$10.00) and
other good and valuable consideration,
CONVEYS and WARRANTS to Grantee,
Intertape Polymer Corp., a Delaware
corporation, having its principal office at 3647
Cortez Rd., West, Bradenton, Florida 34210,
the following real estate:

Legal Description

Parts of Lots 10, 11, and 12 located in the Bi-Centennial Park, being a subdivision
of part of the Northeast Quarter and a part of the Northwest Quarter of Section 9,
Township 9 South, Range 1 West of the Third Principal Meridian, Jackson County,
Illinois, as shown by the recorded plat thereof in Book 12 of Plats at Page 49A at the
Recorder's Office of Jackson County, Illinois.

**"Exempt under Provisions of Paragraph b,
Section 31-45 of the Real Estate Transfer Tax Law"**

IN WITNESS WHEREOF, the Grantor, City of Carbondale, hereunto sets their hand and
seal this ____ day of _____, 2012.

Joel Fritzler, Mayor

Attest:

Rachael E. Moore, City Clerk

STATE OF ILLINOIS)
) ss.
COUNTY OF JACKSON)

I, the undersigned notary public, certify that Joel Fritzler, personally known to me to be the Mayor of the City of Carbondale, and Rachael E. Moore, personally known to me to be the City Clerk of the City of Carbondale, whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged his/her signature and delivered this instrument as his/her free and voluntary act for the purposes and uses therein set forth.

Given under my hand and seal this _____ day of _____, 2012.

Notary Public

Future Tax Bills to:

Intertape Polymer Corp.
3647 Cortez Rd., West
Bradenton, Florida 34210

This Instrument Prepared By:

P. Michael Kimmel, City Attorney
City of Carbondale
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