

AGREEMENT BETWEEN THE COUNTY OF McHENRY

AND THE

McHENRY COUNTY ECONOMIC DEVELOPMENT CORPORATION

THIS AGREEMENT, entered this ___ day of _____, 2024 by and between the County of McHenry through the McHenry County Board (herein collectively called the “County”) and the McHenry County Economic Development Corporation (herein called the “Corporation”); and

WHEREAS, the County established the Corporation to manage the economic growth and development of McHenry County; and

WHEREAS, it is the intent of both the County and the Corporation to maintain a public/private partnership to continue a planned approach to the economic growth and development of the County outside the normal governmental structure; and

WHEREAS, the Corporation is an Illinois not-for-profit corporation, established for the purpose of drafting and implementing local and regional strategic plans for the economic growth of the County; and

WHEREAS, the County supports the privatization of the County’s economic development efforts, while maintaining a strong interest in the accomplishment of the stated goals of the Corporation; and

NOW, THEREFORE, it is agreed between the parties hereto that;

SECTION 1: SCOPE OF SERVICE

A. Activities

The Corporation is the regional economic development organization that works in partnership with business, government and communities to promote the economic health of the County through the retention, expansion and attraction of commerce and industry which generates jobs for an improved quality of life. The Corporation shall engage in the following activities in support of its mission:

- I. Retain and expand the growth of existing businesses and industries maintaining or increasing primary job creation
 - a) Provide business support assistance to existing primary job businesses. Primary jobs are defined as those that produce a product or provide a service that is typically sold outside of the County. The revenue it generates is new money to the County economy and therefore adds wealth rather than just a recycling of existing local dollars.

- b) Provide retention and expansion assistance.
 - c) Expand resource contracts in areas of non-traditional investors, private equity firms, factoring companies, vendors and increase capital funding and financial opportunities.
 - d) Expand awareness of local and state incentive programs to help existing businesses. Market the Economic Development and Business Incentive program and other County incentive programs that may become available to existing County businesses and potential new businesses.
- II. Attract, promote and support the development of a diversified economic base, considering industry sectors and size
- a) Target and recruit new primary employers.
 - b) Increase awareness of access to capital funding opportunities.
 - c) Support incentive program to attract business. Market the County's Economic Development and Business Incentive program and other County incentive programs that may become available to attract new primary job businesses to the County.
 - d) Encourage revitalization of commercial, industrial and retail areas as appropriate to attract and to ensure optimal use of developed land.
- III. Support needed infrastructure to further economic growth and stability
- a) Engage collaboration on regional transportation and infrastructure projects at local, county, regional, state and federal levels.
 - b) Manage collaboration with County, municipalities and other partners to work with utility providers to expand telecommunications and technology infrastructure.
 - c) Support the County's Legislative Agenda that focuses on infrastructure priorities.
 - d) Support continued development of public transportation including PACE and METRA.
 - e) Support the continued presence and improvement of agri-business, tourism and recreational infrastructure.
- IV. Support workforce and educational opportunities to ensure a skilled, well-trained workforce
- a) Determine skills needs and drive training opportunities to match available jobs and skills needed. This includes consulting with the Workforce Network Board and the McHenry County Workforce to identify skill levels and hiring needs of area employers.
 - b) Support education and training opportunities at all levels.
 - c) Increase opportunities through the Workforce Network Board and McHenry County Workforce Network to meet with educators on site with area businesses to better assess current and future workforce skills needs.
 - d) Assist in developing current workforce data and participate in local labor and workforce analysis studies for local and regional planning.
- V. Protect and enhance quality of life by advancing economic and environmental sustainability

- a) Support sustainability by encouraging best practices in design and development of commercial/industrial space.
- b) Support efforts to conserve natural resources.
- c) Support increased availability of affordable housing.

B. General Administration

The Corporation will provide the required general administrative oversight to ensure that the appropriate level of financial management, record-keeping and reporting are maintained in accordance with **SECTION 8: ADMINISTRATIVE MANAGEMENT**.

C. Key Results

The following measurable actions will be undertaken by the Corporation in support of the activities stated in **SECTION 1: SCOPE OF SERVICE**. The Corporation will:

- I. Subscribe to an Economic Impact Model. The model will identify measurable effects associated with a specific activity in a specific location. The analysis will trace spending patterns throughout the economy and measure the cumulative effects of that spending. The Model will be made available to all municipalities and all projects affecting McHenry County.
- II. Subscribe to a demographic information system which integrates hardware, software and data for capturing, managing, analyzing and display all forms of demographic referenced information relevant to the economic development process. The system will allow the Corporation and authorized entities to view, understand, question, interpret and visualize data in multiple formats that reveal relationships, patterns and trends. The services will be made available to all businesses, municipalities, resident and entrepreneurs in McHenry County.
- III. Collaborate with the County on transportation and infrastructure initiatives involving State and Federal development and funding, which have mutually been determined to be of vital interest to the economic well being and development of the County.
- IV. Provide customized service and support to the County's Primary Employers to promote retention and expansion in the County. This service will consist of, but not be limited to access to financial institutions and networks, workforce and building availability.
- V. Collaborate with Illinois WorkNet and the Workforce Network Board on current and future employment opportunities and job development in the County.
- VI. Conduct quarterly Economic Development Update meetings with municipal economic development staff and commission representatives. Information presented at the meeting shall include, but not be limited to; trends in economic development, site search information, workforce development issues and presentation from related organization

such as the State of Illinois' Department of Commerce and Economic Opportunity (DCEO).

- VII. Research and coordinate County-wide site searches for businesses seeking to relocate within the County or from out of County.
- VIII. Conduct business visitations with the County's primary employers.
- IX. Market the McHenry County Economic Development and Business Incentive program and other County incentive programs that may become available to potential applicants.
- X. Provide customized economic development consultation services across all business categories.
- XI. Work collaboratively with the regional school system K-12 and higher education institutions to strategically address current and future workforce needs.
- XII. Market the pro-business high quality of life environment of the County to attract new businesses.
- XIII. Collaborate with other regional, state and federal economic development organizations on regional economic issues and development.
- XIV. Directly and indirectly contribute to the advancement of McHenry County's Strategic Plan goals related to Economic and Workforce Development.

The Corporation shall file a quarterly report with the County which will track the total activity of the Corporation relating to SECTION 1. ACTIVITIES C, Key Results I through XIV.

~~D. Staffing~~

~~The Corporation will, at all times, provide the minimum number of staff required operate the program and to provide administrative oversight services for the Project.~~

~~D~~E. Performance Monitoring

The County, through the Finance & Audit Committee, will monitor the performance of the Corporation against the provisions of SECTION 1: ACTIVITIES contained herein. Substandard performance as determined by the County will constitute non-compliance with this Agreement. The Corporation shall correct any substandard performance noted in writing by the County within ninety (90) days of written notice thereof unless an extension of this time limit is permitted by the County in writing. If action to correct such substandard performance is not taken by the Corporation, contract suspension or termination procedures may be initiated.

SECTION 2: COUNTY REPRESENTATION

The County shall appoint two (2) persons to serve as Directors and voting members of the Corporation's Board of Directors.

SECTION 3: TIME OF PERFORMANCE

Services of the Corporation shall start on the 1st day of December, 2024 and end on the 30th day of November, 2025. The County has the option to continue the Agreement for an additional three years based on the performance of the Corporation. This Agreement is made subject to available budgetary appropriations and shall not create any obligation on behalf of the County in excess of such appropriations. In the event that no funds or insufficient funds are appropriated and budgeted, the County may terminate the Agreement without penalty or expense to the County. In the alternative, the County may provide the Corporation with a written notice of a change in annual appropriation amount, coinciding with the funds appropriated.

SECTION 4: BUDGET

Subject to the provisions of Section 3 above, ~~t~~The County's contribution to the Corporation's budget shall be capped at the annual total sum as detailed below in Sections A. through D.

- A. The County for the period December 1, 2024 through November 30, 2025 will pay the Corporation a total sum of ~~-\$160,000\$~~ ;
- B. The County for the period of December 1, 2025 through November 30, 2026 will pay the Corporation a total sum of ~~\$160,000\$~~ ;
- C. The County for the period of December 1, 2026 through November 30, 2027 will pay the Corporation a total sum of ~~-\$160,000\$~~ ;
- D. The County for the period of December 1, 2027 through November 30, 2028 will pay the Corporation a total sum of ~~-\$160,000\$~~ .

SECTION 5: PAYMENT

~~Upon invoice from the Corporation, the County shall provide one-quarter of the total amount due that year to the Corporation by December 31st of each new County fiscal year. The remaining three-quarters of the total amount due to the Corporation shall be paid by invoice in three (3) equal payments to the Corporation on the 1st of March, June and September of each year of this Contract. The total amount will be calculated in four equal installments on a quarterly basis with December-February being the first quarter, March - May being the second quarter, June -August being the third quarter and September - November being the fourth quarter. In lieu of the County making payments directly to the Corporation, the County will withhold those payments and use the amount owed to offset the salary, payroll and benefit expenses directly attributable to the Corporation's employees in accordance with Section 7B of this agreement. On or about March 1, June 1, September 1 and December 1, the County will calculate the Corporation's~~

contribution for salary, benefits, IMRF, payroll taxes and any other employer payroll cost attributable to Corporation employees for the preceding three months. If there is a remaining balance, this amount will be remitted to the Corporation. If there is an amount owed, the County will invoice the Corporation for the amount owed and the Corporation shall pay the invoice within 30 calendar days.

SECTION 6: NOTICES

Communication and details concerning this contract shall be directed to the following contact representatives:

County:

Chairman, McHenry County Board
2200 N. Seminary Avenue
Woodstock, Illinois 60098

Administrator, McHenry County
2200 N. Seminary Avenue
Woodstock, Illinois 60098

Corporation:

Chairman, Board of Directors
McHenry County Economic Development Corporation
~~620 Dakota St.~~ Potential new address
~~Crystal Lake, Illinois 60012~~ _____

President
McHenry County Economic Development Corporation
~~620 Dakota St.~~ Potential new address
~~Crystal Lake, Illinois 60012~~ _____

SECTION 7: GENERAL CONDITIONS

A. Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Corporation shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. ~~The County shall be exempt from payment of any Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers’ Compensation Insurance, or any other payment not specifically provided for in the Agreement.~~

The Corporation, as an independent contractor, shall have no authority, expressed or implied, to bind the County or any subdivision thereof to any agreement, settlement, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the same.

B. Staffing

The Corporation will, at all times, provide the minimum number of staff required to operate the program and to provide administrative oversight services for the Project.

In accordance with Section 7.A of the Agreement, the employees of the Corporation shall be employees of the Corporation, and not employees of the County. However, if eligible, full-time employees of Corporation will be considered employees of the County for the limited purpose of providing Illinois Municipal Retirement Fund (IMRF) benefits and participation in County's health, dental and vision plans subject to the same rates, benefit levels, rules and regulations established for all County employees and not otherwise prohibited by law.

The County will administer payroll for the Corporation employees in the same manner and at the same interval as County employees.

CB. Hold Harmless

The Corporation will agree to indemnify, save harmless and defend the County, its agents, servants, employees, and officers and each of them against and hold it and them harmless from any and all lawsuits, claims, demands, liabilities, losses and expenses, including court costs and attorney's fees, for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to property, which may arise or which may be alleged to have arisen out of or in connection with the work covered by this contract upon award. The foregoing indemnity shall apply except if such injury, death or damage is caused directly by the willful and wanton conduct of the County, its agents, servants, or employees or any other person indemnified hereunder. The Corporation shall reimburse the County for all costs, attorney's fees, expenses and liabilities incurred with respect to any litigation in which the Corporation is obligated to indemnify, hold harmless and defend the County, its agents, servants, employees and officers under this Agreement.

DC. Workers' Compensation

The Corporation shall maintain its own workers' compensation insurance for all its employees and this insurance shall be primary. The Corporation shall provide the County with evidence of workers' compensation coverage in no less than the statutory minimum coverage amount. ~~Workers' Compensation Insurance will cover all employees and meet statutory limits in compliance with applicable state and federal laws. The coverage must also include Employer's Liability with minimum limits of \$100,000 for each incident.~~

ED. Insurance

I. General Requirements

The Corporation shall maintain for the duration of the contract and any extensions thereof, at its expense, insurance that includes “Occurrence” basis wording and is issued by a company or companies qualified to do business in the State of Illinois that are acceptable to the County, which generally requires that the company (ies) be assigned a Best’s Rating of A or higher with a Best’s financial size category of Class XIV or higher, in the following types and amounts:

- a) Commercial General Liability in a broad form, to include, but not be limited to, coverage for the following where exposure exists: Bodily Injury and Property Damage, Premises/Operations, Independent Contractors, Products/Completed Operations, Independent Contractors, Products/Completed Operations, Personal Injury and Contractual Liability; limits of liability not less than:

\$1,000,000 per occurrence and \$2,000,000 in the aggregate;

- b) Business Auto Liability to include, but not be limited to, coverage for the following where exposure exists: Owned Vehicles, Hired and Non-Owned Vehicles and Employee Non-Ownership; limits of liability not less than:

\$1,000,000 per occurrence combined single limit for:
Bodily Injury Liability and Property Damage Liability

II. Certificate of Insurance

The Corporation agrees that with respect to the above required insurance that:

- a) The County shall be noted as an additional insured under Corporation’s insurance coverage and shall be provided with Certificates of Insurance evidencing the above required insurance, prior to commencement of the contract and thereafter with certificates evidencing renewals or replacements of said policies of insurance at least fifteen (15) days prior to the expiration or cancellation of any such policies;
- b) The contractual liability arising out of the contract shall be acknowledged on the Certificate of Insurance by the insurance company. The County shall be provided with thirty (30) days prior notice, in writing, of Notice of Cancellation or material change and said notification requirement shall be stated on the Certificate of Insurance.
- c) Subcontractors, if any, shall comply with the same insurance requirements;
and
- d) Insurance Notices and Certificates of Insurance shall be provided to:

Deputy County Administrator

2200 N. Seminary Avenue
Woodstock, Illinois 60098

III. County Recognition

The Corporation shall ensure recognition of the role of the County in providing services through this contract. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled to acknowledge the County as a ~~to~~-funding source. In addition, the Corporation will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

F. Amendments

This Agreement may not be amended without County approval. Any amendment to this Agreement must be executed in writing and signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement, nor relieve or release the County or the Corporation from its obligations under this Agreement. However, the County may amend this agreement without Corporation approval under certain limited conditions as noted in this section.

The County may, in its discretion, amend this Agreement to conform to Federal, state or local governmental guidelines, policies and available funding amounts. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by a signature on behalf of the County and a thirty (30) day written notice to the Corporation.

G. Suspension or Termination

The County may suspend or terminate this Agreement, in whole or in part, if the Corporation materially fails to comply with any terms of this Agreement, or with any of the rules, regulations or provisions referred to herein; and the County may declare the Corporation ineligible for any further participation in the County's contracts, in addition to other remedies as provided by law. In the event there is reason to believe the Corporation is in noncompliance with any applicable rules or regulations, the County may withhold up to fifteen (15) percent of said contract funds until such time as the Corporation is found to be in compliance by the County or is otherwise adjudicated to be in compliance. The County will notify the Corporation in writing of any action to suspend or terminate prior to taking such action. The County will notify the Corporation in writing of an action to suspend or terminate sixty (60) days prior to taking such action. During the sixty (60) day period, Corporation shall cure whatever defect, inaction, or non-compliance stated by the County in its written notification. Failure to cure the defect, inaction, or non-compliance by the end of the sixty (60) day period will result in suspension or termination. Whether this Agreement is suspended or terminated will be decided solely by the County within its discretion.

The County may suspend or terminate this Agreement, in whole or in part, if funding becomes unavailable for any reason. In the event this Agreement is suspended or terminated due to a lack

of funding, the County will notify the Corporation in writing that this Agreement is suspended or terminated. If the County suspends or terminates this Agreement in whole or in part due to a lack of funding, the County will not be liable for any loss or damage to the Corporation that results directly or indirectly from said suspension or termination.

SECTION 8: ADMINISTRATIVE REQUIREMENTS

A. Financial Management

I. Accounting Standards

The Corporation agrees to adhere to generally accepted accounting principles and procedures, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred. The Corporation shall administer its program in conformance with State and Federal accounting and financial reporting requirements including the Illinois Charitable Organization Form AG990.

B. Documentation and Record-Keeping

I. Records to be Maintained

The Corporation shall maintain records required by the County that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

- a.) Records providing a full description of each activity undertaken;
- b.) Financial records as required by State and Federal accounting and financial reporting requirements.

II. Retention

The Corporation shall maintain a document retention policy that complies with the records retention provisions in the Sarbanes Oxley Act of 2002. The Corporation shall retain all records pertinent to expenditures incurred under this contract for a period of no less than seven (7) years after the termination of all activities funded under this Agreement. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited that have started before the expiration of the seven (7) year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the seven (7) year period, whichever occurs later.

III. Close-Outs

The Corporation's obligation to the County shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited

to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

IV. Audits and Inspections

All Corporation records with respect to any matters covered by this Agreement shall be made available to the County or their designees at any time during normal business hours, as often as the County deems necessary, to audit, examine and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Corporation within 30 days after notice to the Corporation. Failure of the Corporation to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments.

C. Reporting and Payment Procedures

I. Payment Procedures

The County will pay Corporation with funds available under this contract as contained in SECTION 4: BUDGET.

II. Contact Reports

The Corporation shall submit quarterly Contact Reports to the Finance and Audit Committee.

D. Procurement

I. Compliance

The Corporation shall procure all materials, property, or services in accordance with the requirements of County regulations.

II. Civil Rights

The Corporation agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104 (b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375 and 12086.

The Corporation will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age, marital/familial status, or status with regard to public assistance.

III. Affirmative Action

The Corporation will use its best efforts to obtain the participation of services, supplies, and other purchases from minority and women owned businesses. For the purpose of this definition, “minority group members” are African Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians.

IV. Assignability

The Corporation shall not assign or transfer any interest in this contract without the prior written consent of the County. The Corporation shall not enter into any subcontract with any agency or individual in the performance of this contract without the written consent of the County prior to the execution of such agreement. The Corporation will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

V. Selection Process

The Corporation shall undertake to ensure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all subcontracts shall be available for the inspection ~~of the Grantee~~ by the County along with documentation concerning the selection process.

SECTION 9: SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall, nevertheless, be in full force and effect.

SECTION 10: JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. Proper Jurisdiction and Venue for any dispute, action, claim, cause of action, breach of contract, or other remedy or relief sought pursuant to, arising from or in connection with this Agreement shall be the Circuit Court for the Twenty-Second (22nd) Judicial Circuit, McHenry County, IL.

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

County of McHenry

McHenry County
Economic Development Corporation

By: _____

Title: Chairman McHenry County Board

ATTEST:

McHenry County Clerk

By: _____

Title: Chairman of the Board

ATTEST:

Secretary of the McHenry County
Economic Development Corporation