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GRANT THORNTON LLP  
GRANT THORNTON TOWER  
171 N. CLARK ST. SUITE 200  
CHICAGO, IL  
60601-3370  
D 312 856 0200  
F 312 565 4719  
S [linkd.in/grantthorntonus](https://www.linkedin.com/company/grantthornton-us)  
[twitter.com/grantthorntonus](https://twitter.com/grantthorntonus)

November 3, 2020

Lee-Ogle Enterprise Zone  
Attn: Andy Shaw, Zone Administrator  
309 1<sup>st</sup> Ave  
Rock Falls, Illinois 61071

RE: 1600 Ritchie Court Enterprise Zone Abatement

Dear Mr. Shaw,

On behalf of our client, 1600 Ritchie Court LLC (the "Landowner"), Grant Thornton LLP is requesting approval from the Lee-Ogle Enterprise Zone Board (the "Board") to provide tax incentives to support Project Jackpot. In December 2019, the Landowner purchased two properties located at 1600 Ritchie Court, Rochelle, Illinois (the "Project Site") for potential future business opportunities. The Project Site comprises of two buildings, namely the "East Building" and the "West Building".

The Project Site was a strategic acquisition by the Landowner's parent company ("Jackpot Parent"). The investment was made with the objective to either i) develop the Project Site into a key manufacturing facility of the Jackpot Parent under Project Jackpot as described below, or (ii) to hold the property for resale given the favorable acquisition terms. If Jackpot Parent determines that the Project Site is to be selected for Project Jackpot, the Landowner would transfer the Project Site to an operating company that is responsible for developing Project Jackpot.

#### **About Project Jackpot**

Headquartered in Illinois, United States, Jackpot Parent operates a multi-billion-dollar business to manufacture and distribute a variety of metal products across North America. More recently, Jackpot Parent has established a new business division expanding into real property construction and development. Jackpot Parent has over 100 years of manufacturing experience and hires approximately 2,600 employees operating its 17 production facilities and offices in the U.S. and Canada. Jackpot Parent and its subsidiaries are designated as a Critical Infrastructure Business by the United States Department of Homeland Security, Cybersecurity and Infrastructure Security Agency.

Jackpot Parent is active in supporting domestic manufacturing, spending millions of dollars annually to encourage the reshoring of American jobs.

Jackpot Parent is currently considering capitalizing on its longstanding Illinois roots, by implementing a new manufacturing center at the Project Site. The manufacturing center will be used for one of Jackpot Parent's most successful product lines which currently accounts for close to half of the market share in the United States.

If Jackpot Parent approves and selects the Project Site for Project Jackpot, the project is expected to involve the following:

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- Capital Investment: \$130 million +
- New Jobs: 150+
- Average Wage: \$52,000 (plus benefits) for hourly  
Salaried compensation varies

Jackpot Parent is concurrently considering alternative locations in the southwest for Project Jackpot, including the site of its existing facility in Arkansas.

#### **Request for Assistance**

In order to support Project Jackpot, we are requesting the following from the Board:

- Transfer of the existing Enterprise Zone Tax Abatement Agreement on the West Building to the Landowner. Two years remain on the current abatement on the Project Site.
- Extension of the existing Enterprise Zone Tax Abatement on the West Building for an additional 10 years (expiring 2031), allowing it to be transferred to the Landowner or the confidential developer of Project Jackpot upon decision on the project. It is our understanding that this will require amending the existing Intergovernmental Agreement and abatement policy, and the Project Jackpot team is committed to working through this process with you and your team.
- A commitment to provide a new Enterprise Zone tax abatement on the East Building, upon submission of a development plan acceptable to the Board.

The transfer of the abatement to the Landowner and the grant of the requested Enterprise Zone abatements are necessary and critical to support Project Jackpot's proposed investment in Rochelle.

Our client understands the economic development goal of the Lee-Ogle Enterprise Zone is to stimulate long-term economic growth through job creation and capital investment. Further, we understand the history on the Subject Property. Understanding these factors, the developer of Project Jackpot is willing to commit to remain in the community through the term of the abatement.

Thank you for your consideration of this request, if you have any questions or concerns, please reach out to me at [mike.eickhoff@us.gt.com](mailto:mike.eickhoff@us.gt.com) or (312)602-8929 or Clare Walter at (312) 602-8791 or [clare.walter@us.gt.com](mailto:clare.walter@us.gt.com).

Sincerely,



Mike Eickhoff  
Managing Director—Credits and Incentives