



ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

FRAMEWORK

VILLAGE OF GRAYSLAKE

2020

PURPOSE

The purpose of the Village of Grayslake Economic Development Incentive Program is to encourage the recruitment, retention, establishment, and expansion of business within the Village. Business expansion in Grayslake will stimulate growth in the local economy, provide employment opportunities for residents of Lake County and Grayslake, expand the goods and services available locally, and provide opportunities for property tax rate relief while providing non-homeowner property tax revenues to local government service providers.

GOALS & OBJECTIVES

The Village has outlined the following goals of the Economic Development Incentive Program:

- Promote economic development and redevelopment opportunities in Grayslake
- Provide incentives that facilitate economic development projects and local business growth
- Enhance the business community within the Village Center while preserving its historic character
- Strengthen and diversify the local tax base through recruitment of new businesses and business expansion
- Create and retain jobs locally
- Enhanced local property values through an improved appearance of the Village through increased adherence to adopted architectural standards and the provision of new local products and services
- Prevent, reduce, and eliminate blight within the Village

The following objectives are established towards meeting these goals:

- Provide assistance through economic incentives to facilitate economic development and redevelopment within the Village through private investment
- Utilize public/private partnerships through development and incentive agreements on a case-by-case basis to complete project site improvements, as defined in this framework
- Coordinate the extension and/or availability of public infrastructure to available development sites

PROGRAM PARAMETERS

The Village will consider all potential projects for the Economic Development Incentive Program on a case-by-case basis. For a project to be eligible to participate in the Village's Economic Development Incentive Program, the respective business property must be in conformance with the Village's architectural design standards and all other Village building and zoning codes upon the commencement of the business operation. Participation in the Village's Economic Development Incentive Program shall be reviewed by the Economic Development Commission (EDC) and approval of the Village Board through an executed development agreement or economic incentive agreement, or any other means as provided for by law. All approved projects shall conform to the guidelines and standards set forth in this framework, all Village Codes and ordinances, and other conditions determined by the Village. All projects considered by the Village must significantly advance the Village's goals as outlined in this framework.

PROGRAM GUIDELINES

All projects considered by the Village should conform to the following guidelines:

- Furthers the Village's economic development goals through business retention, business expansion, or new business development
- Expand the non-residential tax base of the Village which provides opportunity for lower property tax rates for homeowners, while providing financial resources to schools and other taxing districts
- Retains and/or creates jobs locally
- Business property must be in conformance with the Village's architectural design standards
- Provides enhancements to public and private infrastructure, which in turn will encourage future development and redevelopment within the Village

CRITERIA FOR EVALUATION OF REQUESTS

The Village shall evaluate requests for assistance under the terms of this program based on the following factors:

- The project's anticipated positive impact to the local economy and expansion of the property tax base for local taxing bodies.
- The number of jobs retained and/or created by the proposed project.
- The amount of private investment.
- The overall quality of the proposed development architectural and site plans.
- Whether the project represents redevelopment of a vacant or blighted area of the community or strengthens/enhances the business community within the Village Center.
- The amount of sales tax the Village anticipates it will receive through the operation of the new or expanded retail sales tax generating business.
- The extent to which the proposed project contributes to the creation of a diverse business base with a mix of retail, service providers, and manufacturing office uses.

APPLICATION PROCESS

All applications for financial assistance shall provide the following:

- A description of the project for which the applicant is seeking assistance
- Projected costs of the project and proposed timeline
- Description/analysis of the benefits the project will bring to the community
- The number of jobs (full and part-time) that the project will create and/or retain
- Detailed business plan outlining projected sales figures, revenues, and tax generation
- A description of the amount of incentives being requested
- Site and building plans, drawings, or renderings that may be requested by the Village

The specific terms and conditions of approved application for economic incentives will be negotiated on an individual, case-by-case basis through an approved Development Agreement or Economic Incentive Agreement. Applications for financial assistance must significantly advance the Village's goals as outlined in this framework and provide a significant return on investment for the Village in the form of any:

- New or expanded community property taxes
- New and/or regular Village sales taxes
- Job creation benefits to the local economy

The adoption of this framework by the Village Board should not be construed to mean that the provision or financial incentives are inherently approved for any applicant that may be able to comply with the guidelines as set forth herein. Each project/development will be approached as an entity to be independently evaluated.

In connection with this framework, the Village reserves the right to amend, modify, or withdraw at any time in its sole discretion:

- any requirements of this framework
- require additional statements, sworn affidavits as to the “but for” provisions of this framework, or other information from any applicant
- to negotiate or hold discussions with any applicant which does not completely conform to the guidelines as set forth above
- to waive any nonconformity with this framework
- to eliminate this framework in whole or in part if the Village deems it is in the best interest to do so

Submission of a written request for financial assistance that complies with the spirit and intent of this framework does not commit the Village approval of the project/development associated with said application.

INCENTIVE OPTIONS

Financial assistance from the Village can take the form of any of the below incentive options:

- **BUSINESS DISTRICT SALES TAX**
 - Extra up to 1% sales tax in-district for site development costs related to a retail project.
- **SALES TAX REBATES**

New Businesses:

- Return a portion of sales tax generated by the business for a defined time period to offset a portion of costs for new building and site work (minimum annual sales tax generated: \$300,000).
- Special Sales Tax Incentive (6/2015 – 5/2017): Location incentive can equal up to 100% of up to 2 years of sales taxes generated by major new retail business.

Expanding Existing Business:

- Return of sales taxes generated from an expansion of an existing business building to offset a portion of costs for building expansion.

- **TAX INCREMENTAL FINANCING (TIF)**
 - Not available.

- **DIRECT MUNICIPAL INFRASTRUCTURE INVESTMENT**
 - Expenditure of municipal funds prior to a proposed project to improve a property's attractiveness for retail development or in conjunction with a proposed project as part of a retail project development agreement.

 - Eligible Investment Purposes:
 - Site cleaning and/or grading/building demolitions or repurposing costs.
 - Special environmental clean-ups.
 - Water/sewer extensions or special requirements.
 - Special road improvement requirements (off-site)/transportation impact fees/bike paths.
 - On-site road network.
 - Stormwater enhancements.
 - Special architectural/site design features.

- **JOB CREATION/INVESTMENT VALUE GRANTS**
 - Village funds in conjunction with investments in the redevelopment of existing buildings that create new jobs.

 - Minimum building size 4,500 square feet.

 - Buildings must meet Village codes and architectural standards to be eligible for payment of incentive.

- **SPECIAL SERVICE AREA (SSA)**
 - Created to reimburse developer for up front project development costs for non-residential projects through additional property tax in the SSA.

- **PROPERTY TAX ABATEMENT**
 - Abatement of a portion of Village share of property tax bill for a defined period.

TERM OF DEVELOPMENT/INCENTIVE AGREEMENTS

The typical term of any development or incentive agreement approved and entered into by the Village shall be not more than ten (10) years.