Item #5:
Proposed Downtown TIF Incentives

HBD DEVELOPMENT INCENTIVE PROGRAM

July 15, 2016

Objective:
To encourage private investment within the Historic Business District for the specific improvement of properties, to attract and maintain businesses that will increase village retail sales tax income, and create a vibrant business community.

Eligibility: .
-All Properties in B1 Zoning District (HBD) Note: Archer and Triangle properties not included.
-Property owners, business owners or both depending on which party invests in the improvement.

Terms (TIF ends 2031):
- Board approval required
-Building improvements must be completed by December 31, 2017
-New business sales tax revenues must be generated by Dec. 31, 2020

Building Improvements Eligible For Reimbursement:
-Rehabilitation, reconstruction or remodeling of existing privately owned buildings.

Requirements:
-Village Board along with third party approval of expenses prior to work starting, not retroactive.
-Full code compliance for property, building and use.

Reimbursement Criteria.
-Up to 50% increased Property Value (EAV) &/or 50% increased sales tax for individual properties.
-Minimum reimbursement= $20,000
-Maximum reimbursement = $100,000
-Only one Incentive Agreement per building. Reimbursement is transferable to new property owner or business.
-**Sales tax** reimbursement based upon retail businesses producing 12 consecutive months of increased sales tax. Reimbursements for sales taxes will be paid at 6 month intervals.
-**Property tax** reimbursements will only be made after any sales tax reimbursements and after all TIF obligations are paid by Village.

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Specifics:

Property Tax Rebate Program (PRTP). The Village of Long Grove does not levy a municipal property tax, however, the 30-year Tax Increment Finance (TIF) District established in 2008 provides the ability for the Village to capture the growth in Equalized Assessed Values (EAV) during the life of the TIF. The PTRP provides property owners the potential to be reimbursed for 50% of the cost of improvements made to their property and buildings based upon the increased EAV for their property. The PRTP reimbursement is property specific through increased property taxes to the TIF. The reimbursements are made after the Village's existing investments in the TIF (Open Space and General Fund Bonds) are fully recovered by the Village and is limited to the growth in EAV for individual properties during the life of the TIF.

Sales Tax Rebate Program (STRP). The Village of Long Grove receives 1% of all retail sales taxes collected from the Historic Downtown. The STRP provides incentives of up to 50% of increased retail sales taxes produced by retail businesses in downtown through year 2020. Downtown property owners are eligible for the STRP as an incentive to attract new retail businesses and payments are rebated to property owners within 90 days after Village receipt of the certified sales tax reports from the business or from the reports from the State of Illinois.

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