

Items #5:

**Resolution Establishing 50/50 Rebate Program For
The Long Grove Historic Business District**

VILLAGE OF LONG GROVE

RESOLUTION 2016-R-_____

A RESOLUTION AUTHORIZING A TIF DISTRICT INCENTIVE PROGRAM TO ENHANCE BUILDINGS IN THE LONG GROVE HISTORIC BUSINESS DISTRICT

WHEREAS, pursuant to Ordinance No. 2008-O-5, as amended from time to time, the Village of Long Grove ("**Village**") designated the Downtown/IL Rte. 83 Redevelopment Project Area ("**TIF District**") pursuant to Section 11-74.4-4 of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, ("**TIF Act**"); and

WHEREAS, pursuant to Ordinance No. 2008-O-6, the Village adopted tax increment allocation financing for the TIF District in accordance with the TIF Act and established the Downtown/IL Rte. 83 Redevelopment Project Area Special Tax Allocation Fund ("**Fund**") for the deposit of TIF District incremental tax revenues and payment of eligible redevelopment project costs and obligations; and

WHEREAS, pursuant to Ordinance No. 2008-O-7, the Village approved a Revised Redevelopment Plan and Project (the "**TIF Plan**"), which TIF Plan identified among the goals of the TIF District to "coordinate public and private improvements to stimulate private investments"; and

WHEREAS, under the TIF Act, the Village is authorized to "[m]ake and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plan and project," 65 ILCS 5/11-74.4-4(b); and

WHEREAS, the Village President and Board of Trustees (the "**Village Board**") has determined that the goals of the TIF District relating to the stimulation of private investment can be advanced by offering incentives to property owners and business owners in the Historic Business District relating to improvements of their properties and places of business; and

WHEREAS, the Village Board has developed an “HBD Development Incentive Program” (the “***Incentive Program***”) to encourage property owners and businesses to invest in the Historic Business District properties, which Incentive Program is attached hereto as Exhibit A; and

WHEREAS, the Village Board has determined that implementation of the Incentive Program will further the goals and objectives of the TIF Plan, and will otherwise enhance the public health, safety, and welfare of the TIF District and the Village of Long Grove;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois, as follows:

SECTION ONE. **Recitals.** The foregoing recitals are incorporated herein as the findings of the President and Board of Trustees.

SECTION TWO. **Approval of Incentive Program.**

A. The Village Board hereby approves the Incentive Program attached hereto as Exhibit A.

B. The Village Manager, in consultation with the Village Attorney, shall prepare application forms and contract documents to implement the Incentive Program; provided, however, that any contract for benefits under the Incentive Program (an “***Incentive Program Contract***”) shall be subject to the review and approval of the Village Board based on the terms of the Incentive Program.

C. The Village Board may modify any proposed Incentive Program Contract in such manner as it deems necessary or appropriate to best ensure that the objectives of the TIF Plan and the Incentive Program shall be met.

SECTION THREE. **Effective Date.** This Resolution shall be in full force and effect immediately upon its passage and approval in the manner provided by law.

PASSED this ___ day of September, 2016.

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED this ___ day of September, 2016.

Angela Underwood, Village President

ATTEST:

Amy Gayton, Village Clerk

EXHIBIT A
Incentive Program

DRAFT



**VILLAGE OF LONG GROVE, IL
HISTORIC BUSINESS DISTRICT DEVELOPMENT INCENTIVE PROGRAM**

Objective:

To encourage private investment within the Historic Business District (HBD) 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.
- Rehabilitation, reconstruction or remodeling of existing privately owned buildings.
- Completed projects must fully comply with Village codes for property, building and use

Guidelines (TIF ends 2031):

- Board approval of specific projects prior to expenditure of funds required
- Project size must be greater than \$40,000
- Building improvements must be completed by December 31, 2017
- Only one Incentive Agreement per building. Reimbursement is transferable to new property owner or business.

Reimbursement Criteria.

- Up to 50% of project costs reimbursed (maximum reimbursement \$100,000)
- Reimbursement drawn from incremental (TIF) property taxes &/or 50% increased sales tax for project properties.
- Reimbursement ends December 2031 coinciding with termination of the TIF
- Reimbursement from **Sales tax** will be 50% of annual increased sales tax (2016 base year).
- Reimbursement from **TIF Property tax** will only be made after all Village TIF obligations are paid.

Details: Reimbursements for this incentive program are property specific and are paid from the increase in the TIF real estate taxes and 50% of the increased sales taxes generated by the specific property during the life of the program.

Property Tax Rebate. The Village of Long Grove does not levy a municipal property tax, however, the 23-year Tax Increment Finance (TIF) District established in 2008 provides the ability for the Village to capture increases in property taxes from the growth in Equalized Assessed Values (EAV) during the life of the TIF. The program provides property owners the potential to be reimbursed up to 50% of the cost of improvements made to their property and buildings by the increased TIF property taxes received by the Village from their property as a result of increased EAV. The reimbursements from the TIF property taxes are made only after the Village's existing investments in the TIF are fully recovered by the Village and is limited to the incremental tax revenues generated by a property from its growth in EAV during the life of the TIF.

Sales Tax Rebate. The Village of Long Grove receives 1% of the Illinois state retail sales taxes collected from the Historic Downtown. The program pays reimbursements from 50% of the annual increase in Illinois state retail sales taxes (2016 base year) produced by retail businesses. Downtown property owners are eligible for the program as an incentive to attract new retail businesses and payments are rebated to property owners or business 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.