Village of Lake Villa
Tax Increment Financing Incentive Program

Introduction and Overview

The purpose of this document is to provide guidance for the Village of Lake Villa's ("Village") use of Tax Increment Financing ("TIF") for development activities. These guidelines establish an objective framework by which TIF incentive requests are received, reviewed and evaluated.

As a matter of policy, the Village will consider TIF incentives to assist private developments only in those circumstances which the proposed private projects show a demonstrated financial gap. The intention of the Village to encourage desirable development and/or redevelopment projects that would not otherwise occur "but for" financial assistance provided through the TIF.

The Village will review requests for TIF incentives on a case-by-case basis upon the merits of each application, taking into account established policies, specific project criteria, and the demand on City services in relation to the potential benefits to be received from the proposed project. Applications that meet these guidelines or criteria does not guarantee the award of assistance. Furthermore, the approval or denial of one project is not intended to set a precedent for approval or denial of another project. The Village's decision to participate in any redevelopment agreement should be viewed as a contribution that will aid growth and add long-term economic viability to the community.

General Principles

The goal of the Village's incentives program, whether commercial or industrial, is to encourage healthy economic growth in the community. All applications will be evaluated against the criteria outlined within the Village of Lake Villa's Tax Increment Financing and Business District Policies. These policies include:

- Economic incentives considered by the Village must provide a distinct financial return to the Village;
- Economic incentives considered by the Village must be initiated by the formal application process;
- Economic incentives considered by the Village should be derived from new incremental revenue sources unless the 'but for' theory is proven and the Village will benefit from a distinct financial return;
- Economic incentives considered by the Village must be of an appropriate amount and extend over an appropriate amount of time as related to the proposed project;
- Economic incentives considered by the Village will be provided on a project basis;
- Economic incentives considered by the Village will be subject to a development agreement;
- Economic incentives considered by the Village will be subject to conformity with applicable State and Federal provisions; and
- Economic incentives considered by the Village will not be considered on a retroactive basis.

General Objectives

Proposals which satisfy the basic criteria will then be evaluated thoroughly by the Village of Lake Villa. Additional due diligence may be required to confirm assertions made in the application and priority will be placed on projects that meet the following objectives:

1. Increases the property tax base of the TIF district;
2. Improves or contributes to the improvement of the public infrastructure serving the TIF area.
3. Retains and/or increases local jobs;
4. Removes blight and encourages rehabilitation and redevelopment of commercial and industrial areas;

5. Leads to improvements to residential properties, as a residential purpose that is within a residential zone;
6. Provides for the development of vacant or underdeveloped properties in commercial or industrial areas;
7. Aids in the implementation of the Village's Transit-Oriented Development Plan of 2013 and Comprehensive Plan of 2021; and
8. Demonstrates a long-term benefit to the Village.

Eligible Project Costs

The following eligible costs are permitted under the TIF Act which may be submitted for consideration of reimbursement through a development agreement, include but are not limited to the following:

- **Rehabilitation or repair of existing public or private buildings.** Costs of rehabilitation, reconstruction, repair, or remodeling of existing buildings and fixtures.

- **Land Assembly**. Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

- **Demolition and Site Preparation.** The existing structures located within the RPA may have to be reconfigured or prepared to accommodate new users or expansion plans. Partial demolition may be necessary as well as removal of debris. Additionally, the redevelopment plan contemplates site preparation, or other requirements related to environmental remediation, necessary to prepare sites for the desired redevelopment.

- **Landscaping/Buffering/Streetscaping.** The Village may fund certain landscaping projects which serve to beautify public properties or rights of way and provide buffering between land uses.

- **Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements.** The Village may extend, upgrade, or re-route certain utilities to serve or accommodate the new development. The provision of necessary detention or retention ponds may also be undertaken by the Village.

- **Roadway/Street/Parking Improvements.** Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed by the Village. Related curb, gutter, and paving improvements could also be constructed as needed. Provision of parking facilities or improvements may also be undertaken.

- **Interest Rate Writedown.** The Village may pay for certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

- **Job Retraining Programs.** Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment.

- **Professional Services.** The Village may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation.

Application Process and Procedure

- Application for TIF Assistance shall be made on the TIF Financial Assistance application form (attached) and provided to the Village. Additional due diligence items shall be submitted with the completed application, including those listed below unless otherwise noted:
  - Evidence of site control (option, deed, lease, letter of intent, etc.).
  - Appraisal report(s) if project involves the purchase of real estate.
  - Latest property tax statement.
  - Letters of interest from a financial institution (or institutions) willing to consider debt / equity in the project subject to usual and customary conditions.
  - Detailed and itemized project development budget.
  - Sources and uses statement, with corresponding documentation from financing partners.
  - Sworn statement of expenses.
  - Municipal incentive / subsidy projections.
  - Project design, specifications, floor plans and renderings for project (if necessary).
  - Market Study (either performed by the developer in-house or by a qualified third party) supporting the viability of the project and the revenue streams.
  - If the project involves a franchise or other similar type of program, letter from the franchisor addressed to the Village supporting this application for municipal assistance.
  - Itemized list of equipment to be purchased (only for projects seeking incentive for new manufacturing equipment).
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- Village Administrator to review and evaluate project by criteria and recommend to the Board of Trustees
- Board of Trustees to execute a contract between the Village and the Developer
- TIF Funds are paid after the development project is complete, per the agreement and conditions approved by the Village Board

1. **As indicated in the TIF Financial Assistance application, the developer shall submit a preliminary financial commitment from a financial institution; plans and/or drawings for the project; background information on the developer; a pro forma analysis; financial statements, etc. City of Elmhurst TIF Incentive Policy Page 5**
2. **The developer shall submit audited financial statements for the last three (3) years. If the audited statements are comparative, only two (2) years are needed. If audited statements are not available, three (3) years of annual financial statements, tax returns and summary schedules for other projects completed or started within the three (3) year time frame covered by the financial statements must be submitted. The developer must also submit an interim financial statement for the current year. Upon the request of the applicant, the**

City may permit these documents to be provided directly to the City's financial advisor or legal counsel in order to protect proprietary or confidential information.

3. **The developer shall submit a complete listing (name and address) of all investors in the project with 5% or greater ownership interest. The listing shall also identify each individual's ownership interest**

5. The developer shall comply with all disclosure requirements of the City, under applicable law.

In addition to the application, the following items must be submitted with the application unless otherwise noted below.

Please provide as much information as possible. You may attach supplemental documentation; however, the inclusion of other required documents should be in addition to completing the following form, rather than in place of filling out all sections. **<u>Only completed applications will be accepted and evaluated.</u>**

If you have questions regarding the application or requested information, please contact:

Michael Strong, Village Administrator, Village of Lake Villa
65 Cedar Avenue, Lake Villa, Illinois 60046
Phone: (847) 356-6100 E-Mail: mstrong@lake-villa.org

Note: The filing and discussion of this application form does not indicate a level of interest in making incentives available to the described project. Furthermore, the project must meet all local, state and federal rules and regulations as applicable.

I. Taxpayer Information

Name of Taxpayer Seeking Incentive: ____

Mailing Address: ____

Name of authorized to represent taxpayer making application: ____________________________

Address of Authorized representative: ____

Telephone & Fax number of authorized representative: __________________________________

Provide a brief description of the Taxpayer's business, including company history, product(s), facilities, sales and corporate growth, and corporate employment. Also discuss any applicable future growth, planned expansions, and/or corporate diversification.

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Project Profile

In a separate document titled "Project Profile", provide an estimated project schedule including (when applicable):

- Closing of purchase
- Permitting
- Environmental Assessment and/or Remediation of Activities
- Construction Start
- Construction Completion
- Occupancy of facilities
- Purchase and installation of equipment
- Other pertinent dates, as appropriate

Sponsor/Developer: ____

Project Street Address: ____

Village, State & Zip Code: ____

County: ____

Project type (Commercial Real Estate, Business, Equipment):____________________________

Sq. ft. of project: ____

Total Project Cost/Investment: ____

Total Incentive Requested: ____

11 Digit Census Tract Code: ____

Please provide a narrative that describes the project in specific detail:

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How is the property currently being used and what is the condition of the property?

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Will the project require additional municipal services or facilities?

Yes: _________ No: __________

If yes, please explain:

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II. For projects seeking municipal assistance for Commercial Real Estate development

Development Team

Please list all of members of the development team, their contact information and their role in the development process. If more than four members are on the team, please attach the additional contact information separately.

Name: ___________________________
Address: __________________________
Phone Number: ___________________
Fax Number: ______________________
Email: ____________________________
Role: _____________________________

Address: __________________________
Phone Number: ___________________
Fax Number: ______________________
Email: ____________________________
Role: _____________________________

Name: ___________________________
Address: __________________________
Phone Number: ___________________
Fax Number: ______________________
Email: ____________________________
Role: _____________________________

Name: ___________________________
Address: __________________________
Phone Number: ___________________
Fax Number: ______________________
Email: ____________________________
Role: _____________________________

Name: ___________________________

Describe the development team and its capacity to successfully complete the project:

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What physical changes will be made to develop or rehabilitate the property and how will the subject property be used?

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Total Investment for real estate component of project: ________________________________

Complete the corresponding budget worksheet, sources and uses statement and proforma, if applicable. Templates will be provided in Microsoft Excel format. The aforementioned documents will include, but are not limited to:

- Purchase of real estate and improvements
- Site preparation
- Demolition
- Construction of new structures
- Infrastructure improvements
- Architecture & Engineering fees
- Development Fees
- Other fees or costs, when applicable

III. Community Impact

Is this project part of a larger, comprehensive revitalization plan sponsored by local government planners and/or local economic development groups?

Yes: _________ No: __________

If yes, please describe how the project is related to the plan and if the project is one of the first undertaken.

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Will the project create new jobs that can employ local residents?

Yes: ________ No: _________

Will the project provide goods and services not immediately available to the community?

Yes: ________ No: _________

If yes, please explain:

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Will the project result in greater demand for local goods and services, resulting in indirect job creation for residents of the community?

Yes: ________ No: _________

If yes, please explain:

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Will the project provide vital community services to residents of the community?

Yes: _________ No: __________

If yes, please explain:

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