Finance and Personnel Committee Meeting
November 12, 2018-5:30 PM
McHenry Municipal Center – Police Training Room
333 S Green Street
McHenry, IL 60050

AGENDA

1. Call to Order.

2. Roll Call.

3. Public Comment: Persons wishing to address the Committee will be asked to identify themselves for the record and will be asked but are not required to provide their address. Public comment may be restricted to three-minutes for each individual speaker. Order and decorum shall be maintained at public meetings.

4. Motion to approve the October 15, 2018 Finance and Personnel Committee meeting report.

5. Economic Incentive Policy-Discussion and Recommendation.

6. Revenue Sources-Discussion and Recommendation.

7. Staff Reports.

8. Any Other Business.

9. Motion to adjourn the meeting.

The City of McHenry is dedicated to providing its citizens, businesses, and visitors with the highest quality of programs and services in a customer-oriented, efficient, and fiscally responsible manner.
SPECIAL FINANCE AND PERSONNEL COMMITTEE
Monday, October 15, 2018
Municipal Center Classroom, 5:30 PM

Call to Order: The meeting was called to order at 5:30 p.m.

Roll Call: Deputy Clerk Meadows called the roll. Roll call: Members present: Chairman Curry, Alderman Schaefer and Alderman Mihevc. Also in attendance: Finance Director Lynch.

Public Comment: None.

Motion to approve the October 1, 2018 Finance and Personnel Committee meeting report.
Alderman Curry asked if any of the Committee Members had any questions or comments regarding the October 1, 2018 Finance and Personnel Committee meeting report. The Committee Members offered no comments. Roll call: Vote: 3 ayes: Alderman Schaefer, Alderman Mihevc and Alderman Curry. 0-nay, 0-abstained. Motion carried.

Property Tax Levy-Discussion and Recommendation
Alderman Curry commented on the fact that he is not a supporter of raising property taxes. He reported that the City’s property tax levy has remained flat for several years. Alderman Schaefer agreed with Alderman Curry, he too is not in favor of raising property taxes. He noted that that there are two Referendums on the upcoming November General Election Ballot, both asking voters to approve a property tax increases.

Alderman Schaefer commented on the fact the City struggles with identifying ways in which to fund the Capital Improvement Fund and the Road Program Fund. The Committee Members collectively discussed the possibility of increasing the sale tax rate by ¼%. Alderman Curry reported that currently the City’s sale tax rate is lower than the majority of the surrounding Communities.

The Committee Members discussed the possibility of raising the Telecommunications Tax. Finance Director Lynch reported the revenue received from the Telecommunications Tax continues to decrease. She attributes the decrease with the fact that more users are video streaming programing and using wireless electronic devices. Alderman Schaefer believed the revenues would be greater if the City were to increase the Sale Tax by a ¼ of a percent. This matter will be discussed at greater length in a future Committee meeting. A Motion was made by Alderman Schaefer and seconded by Alderman Mihevc to recommend to the full City Council that the Property Tax Levy remains flat. Roll call: Vote: 3-ayes: Alderman Mihevc, Alderman Schaefer and Alderman Curry. 0-nays, 0-abstained. Motion carried.
Finance Director Lynch provided the Committee Members with an overview of the draft FY2017/2018 audit. She reported that the total General Fund balance is $7,266,961, which reflects a transfer to the Capital Improvements Fund of $0 due to the fact that the Fund Balance and Reserve Policy requires the General Fund Balance to be $7,350,447. Which is $83,486 more than the current fund balance.

Finance Director Lynch continued on to discuss the Proprietary Fund balance showing the annual operating income and expenses for the Water and Sewer Fund. The Water and Sewer Fund has an operating income of $1,101,529. Water/Sewer rates will still need to be reviewed and adjusted as operating revenues have increased due to debt service fees incurred with the IEPA Loan.

Finance Director concluded her overview presentation noting that this year again includes additional required information per GASB 68, Accounting and Financial Reporting for Pensions and GASB 71, Pension Transition for Contributions made Subsequent to the Measurement Date.

Alderman Curry questioned why the General Fund Unassigned Fund Balance had a negative balance. Finance Director Lynch reported that the negative fund balance reflects a deficit in the overall General Fund Balance umbrella.

The Final FY-2017/2018 Audit will be presented to the full City Council during an upcoming Council meeting.

Staff Reports
Finance Director Lynch reported Director Martin has completed his recommendation on a Sale Tax Incentive Policy. This matter will be discussed at the next Finance and Personnel Committee meeting.

Any Other Business
There was no other business to discuss.

Motion to adjourn from the meeting
There being no further public business to discuss, a Motion was made by Alderman Mihevc and seconded by Alderman Schaefer to adjourn from the public meeting at 6:15 p.m. Roll call: Vote: 3-ayes: Alderman Mihevc, Alderman Schaefer and Alderman Curry. 0-nays, 0-abstained. Motion carried.

Respectfully submitted,

Debra Meadows, Deputy City Clerk
Reviewed and approved this _____ day of _________ 2018.

________________________

Alderman Curry, Chairman
City of McHenry
Finance and Personnel Committee
Agenda Item Submittal Form

Meeting Date: November 12, 2018

Agenda Item Name: Review of Economic Incentive Policies

Submitted By: Douglas Martin
Submittal Date: October 11, 2018
Resubmitted:

Draft: Yes
Final:
Approved: ________


**COMMITTEE SUPPLEMENT**

**TO:** Chairman Curry, Finance and Personnel Committee  
Finance and Personnel Committee Members

**FROM:** Douglas Martin, Director of Economic Development

**FOR:** November 12, 2018 Finance and Personnel Committee Meeting

**RE:** Review of Economic Incentive Policies

**ATT:**
1. Community Development Committee Meeting Minutes dated October 26, 2010  
2. Community Development Committee Meeting Minutes dated May 17, 2011  
3. City of McHenry Economic Development Strategy  
4. Addendum to City of McHenry Economic Development Strategy Underutilized Property  
   Tax Abatement and Incentive Program  
5. West Illinois Route 120 Corridor Enhancement Initiative  
6. Government Finance Officers Association: Best Practice Economic Incentive Policies  
8. City of St. Charles Economic Incentive Policy  
9. City of Crystal Lake Enhanced Tax Incentive Program (ESTIP)  
10. Village of Libertyville South Milwaukee Avenue (IL 21) Business District No. 1  
   Development Plan

**BACKGROUND:** In 2009 the City Council approved an Economic Development Plan for the city containing a strategy for economic development with six detailed goals addressing city-wide economic development objectives regarding: retail, industrial, downtown revitalization, business attraction and retention as well as how to market the city as a destination to increase tourism. Subsequently, an Economic Development Strategy for the City of McHenry was prepared by the Community Development Committee which is centered around the goals and objectives included in the approved Economic Development Plan.
ANALYSIS: Economic development strategies or policies have existed for many years but due to poor economic conditions in the past and increasing competition between neighboring municipalities to attract the same business, more municipalities have adopted formal business incentive policies which offer means by which a business could obtain low-interest financing, sales tax rebates, or other programs to leverage potential investment in the community. This was the real impetus for adopting a policy initially. The policies are not regulatory and can be altered at any time as the Council deems appropriate.

The benefit of adopting an official policy of this type is it gives potential businesses a general idea the city’s position regarding economic development incentives but does not bind the city in any manner. Staff receives numerous inquiries from businesses seeking economic incentives. The proposed Economic Development Strategy for the City of McHenry reinforces this position and is a proactive measure to address future requests.

Prior to 2010 the City of McHenry entered into four incentive agreements, three in the tax increment financing district and one with Gary Lang. Following 2010, the City has entered into approximately seven and six within the span of two years. These agreements have predominantly been in the form of sales tax rebate agreements, with a couple of exceptions being a tax increment financing district redevelopment agreement and a property tax abatement agreement.

Below I list each of the aforementioned documents and highlight points of each. In red are the points which I do not agree. Some of the red points are followed by statements “Don’t agree with this recommendation,” while others are followed by statements “Don’t necessarily agree with this recommendation.” The former is a firm disagreement with the statement, while the latter is a partial disagreement with the statement which could be changed to an agreement if the statement was altered.

Most of the statements or points I do not agree with are those which are specific in nature or reference numbers with no justification as to how they were derived. Some are non-numerical but again are very specific in nature which I believe paints a jurisdiction into a corner when negotiating a broad range of incentive agreements. Most of these policies include some type of language which states they consider incentive agreements on a case-by-case basis however some also include criterion or criteria which is counterintuitive.

The statements which I “Don’t necessarily agree with this recommendation” include language which is vague or too broad and can be misconstrued. An example of this is one policy uses the term “strong” benefit to the City. I have no idea what “strong” means. The same municipality
uses the language as one of its criterion as “impact on existing businesses”. I cannot measure this statement nor do I know what it means. I believe it can be misconstrued and taken a number of different ways therefore I think it’s ineffective. The first three policies are City of McHenry policies: Economic Development Strategy, Addendum to City of McHenry Economic Development Strategy Underutilized Property Tax Abatement and Incentive Program and the West Illinois Route 120 Corridor Enhancement Initiative.

**Economic Development Strategy for the City of McHenry**

- Adopted in 2011
- Contains six goals
- Contains guidelines for incentives (consistent with Economic Development Plan)
- Does not include requests for waiver of recapture, utility or fees from other districts or City consultant fees
- Includes submittal requirements (meets evaluation criteria, Economic Development Strategy and Economic Development Plan)
- Includes Evaluation Criteria (Revenue benefit, jobs produced, benefit to City, spur additional economic development, compliance with approved design guidelines and development standards)

**Addendum to City of McHenry Economic Development Strategy Underutilized Property Tax Abatement and Incentive Program**

- Adopted in 2014
- Encourage reinvestment in existing unimproved vacant or underutilized properties through a property tax abatement program instituted through multiple taxing bodies
- Market specific sites which have been become vacated over time/become obsolete
- Includes two targeted properties as examples: 2019 N Richmond Road and 1900 N Richmond Road
• Goal to foster new capital investment in a property, increase assessed evaluation, create jobs

• Abatement applied to taxes levied against newly assessed value of a property (increment)

• Includes General Program Criteria

• Includes process

• Includes clawback provision

**West Illinois Route 120 Corridor Enhancement Initiative**

• Adopted in 2012

• Contains Vision Statement

• Contains Goals and Guidelines for Economic Incentives (Included in Economic Development Strategy)

• Limited to geographic area between Meadow Lane and Ringwood Road on Illinois Route 120

• Includes projects eligible for assistance and application process

• Includes project evaluation criteria; priority projects and ineligible uses

• Includes application form (number of employees, new jobs, living in City, new payroll)

• Includes real estate costs (land, building, expansion (if applicable), equipment purchase, utility usage)

• Includes direct taxable sales and taxable corporate income, project completion schedule

• Includes list of required attachments
Government Finance Officers Association Best Practice: Economic Development Incentive Policies

- States jurisdictions should have incentive policies for tax base diversification, job creation, housing stock creation and/or business retention and expansion

- States policies vary considerably by jurisdiction and should be considered on a case-by-case basis

- Goals and objectives are important (consistency with Economic Development Plan, Economic Development Strategy and/or Comprehensive Plan)

- It recommends that jurisdictions define the incentives, their limitations and maximum dollar amounts. (Don't agree with this recommendation).

- It states there should be a clearly defined evaluation process and an analysis of the cost vs benefit completed

- It also recommends an analysis be completed of the impact on the existing tax base and revenue

- It recommends against using incentives the shift economic activity from one area of the community to another. (Don't necessarily agree with this recommendation).

- It recommends the use of clawback provisions and monitoring and compliance provisions

Economic Development Woodstock, Illinois

- Requests are considered on a case-by-case basis.

- Includes specific areas of the City they are targeting
• States that not more than 25% of the total project cost will be supported by the incentive. (Don’t necessarily agree with this recommendation).

• States that incentives will not exceed 50% of the incremental City revenue to be generated by the sales tax over a maximum 10-year time period. (Don’t necessarily agree with this recommendation).

• States that the minimum requirements for consideration of a building shall be 50,000 square feet or larger, 50 jobs and at least $100,000/year of net municipal sales tax. (Don’t agree with this recommendation).

• States restaurants can be considered on a case-by-case basis if they don’t meet these requirements. (Don’t agree with this recommendation).

• Policy states any project which reduces the number of employees will not be considered. (Don’t necessarily agree with this recommendation).

• Policy also states existing retailers must demonstrate in each of the previous three years net municipal sales tax revenue not less than $100,000 and demonstrate growth in sales tax revenue as a result of planned relocation/expansion. (Don’t necessarily agree with this recommendation).

• Includes under evaluation criteria number and quality of jobs produced or retained. (Don’t necessarily agree with this recommendation).

• Includes statement strong public benefit to City. (Don’t necessarily agree with this recommendation).

• Includes statement about impact of a proposed development on existing businesses. (Don’t necessarily agree with this recommendation).

City of St. Charles, Illinois Economic Incentive Policy

• The policy states the importance of maintaining and encouraging a strong business climate in the City.

• The policy states requests will be reviewed on a case-by-case basis.
• Policy states incentives are not meant to be allowed to be used to induce bidding wars for City funds. (Don’t agree with this recommendation).

• The policy limits incentives to 10 years. (Don’t agree with this recommendation).

• Policy includes a cap amount. (Don’t necessarily agree with this recommendation).

• Provisions for clawback are included.

• Policy states City will complete an independent analysis of the project costs to ensure the request for assistance is necessary. (Don’t necessarily agree with this recommendation).

• Policy states request for incentives shall not exceed 75% of the projected revenue for the project.

• There is a fee of 5% or $50,000, whichever is less, with every incentive request to cover the City’s legal, administrative and planning costs.

City of Crystal Lake, Illinois Enhanced Sales Tax Incentive Program (ESTIP)

• Policy is limited to sales tax generators only (Don’t agree with this recommendation).

• Policy is limited to high sales tax generators (Don’t agree with this recommendation).

• Policy is limited to projects of significant dollar amounts (Don’t agree with this recommendation).

• Policy limits incentive up to 10 years (Don’t necessarily agree with this recommendation).

• Policy states it will share revenue up to 50%, above base amount, for public improvements to their businesses (Don’t necessarily agree with this recommendation).
Village of Libertyville South Milwaukee Avenue (IL 21) Business District No. 1 Development Plan

- Policy is based off of the Business District Act

- Policy based of this plan and comprehensive plan

- Each agreement negotiated and considered on a case-by-case basis

- **Policy states a minimum of 25% of the total improvement cost must be used on exterior or site improvements, not less than $25,000 (Don’t necessarily agree with this recommendation).**

- **Total incentive shall not exceed 50% of the total value of the improvements of the project (Don’t necessarily agree with this recommendation).**

- Incentive rate based on new sales tax, with a maximum percentage of new sales tax of 40% and 60%

- Business District is a specific geographic area

The **City of Woodstock, Illinois** policy has many good boiler plat elements, guidelines, targeting specific areas of the City however I believe it falls short when it get into specifics about the incentives, amounts and how they are determined. They use a lot of specific numbers which I think can be problematic and I do not like how they unilaterally separate restaurants seemingly with no specific criteria. I also do not know how you would measure a business’ impact on other businesses without doing a pretty extensive analysis which in my opinion is counterintuitive to providing an incentive for development.

The **City of St. Charles, Illinois** policy is specifically for tax increment financing and sales tax assistance. It states that the projects eligible should demonstrate a “significant” amount of sales tax revenue to be realized. It also states projects are considered on a case-by-case basis. The policy specifically lists TIF eligible development projects as well as sales tax eligible development projects.

One thing in the policy which is somewhat vague is it states for a sales tax project to be eligible it must fill an underserved business segment but does not specifically list what those may be. There are criteria included and general policies for TIF and sales tax assistance. Another
provision included is that the policy states the City will complete an independent analysis of the project costs to make sure the assistance request is necessary. This could delay the process significantly. The policy includes a statement indicating TIF and sales tax assistance cannot exceed 75% of the projected revenue for the project. Clawback provisions are included.

There are provisions for assistance for non-profit organizations and tax exempt property. There are also provisions for a fee of 5% or $50,000 with each incentive request. This policy is decent however there are some specific provisions included which I question the necessity.

The City of Crystal Lake, Illinois is a very narrow policy and only covers a small high-sales tax producing number of uses. I believe the policy is extremely specific and contains provisions which limit the number of uses which is probably their intent. I think this type of policy could be effective in certain areas depending on the geographic layout, demographics and socioeconomic of the community. On the flipside, it excludes many uses.

The Village of Libertyville South Milwaukee Avenue (IL 21) Business District No. 1 Development Plan is based off the state statute for business districts and states each agreement is negotiated on a case-by-case basis. It states a minimum of 25% of the total improvement cost must be used on exterior or site improvements, not less than $25,000. I don’t necessarily thing is a bad idea however I am not sure how the numbers 25% and $25,000 were derived, as this may deter an applicant from seeking an incentive.

The policy also states, like many of the others the total incentive shall not exceed 50% of the total value of the improvements of the project. Again, I am not sure how this number was derived. The policy ties the incentive rate to the new sales tax generated which I believe is a good idea-the more you earn the more you can be rebated, with a cap and per the business district statute there is a specific geographic area this incentive applies to. This is similar to the City of McHenry’s Gary Lang’s Business District and the West Route 120 Route Corridor Enhancement Initiative.

Conclusion
Many of the incentive policies are very similar. Some contain very specific numerical provisions which I believe can be problematic. Policies should be broad and generally outline the purpose and intent, procedure, criteria, process, submission guidelines and review. While most of the incentive agreements have the same ingredients they are not all made in the exact same manner. There is definitely no “one size fits all” and in 2011 when the Economic Development Strategy was adopted it was written in such a way as to mimic how prior agreements were negotiated, on a case-by-case basis with some general guidelines and criteria behind them.
COMMUNITY DEVELOPMENT COMMITTEE MEETING
Tuesday, October 26, 2010
Aldermen’s Conference Room, 7:00 p.m.

In Attendance: Committee Members: Chairman Alderman Condon, Alderman Peterson and Alderman Santi. Absent: None. Also in Attendance: Deputy City Administrator Martin, Construction and Neighborhood Services Director Schwalenberg and City Clerk Jones.

Also in Attendance: Adrian Plante, 1207 Broadway, McHenry, Illinois

Discussion Regarding Incentives for Small and Medium Sized Businesses
Deputy City Administrator Martin informed the Committee that he recently attended a 3-day class, funded by the Federal Government, entitled “Comprehensive Plan for Economic Development.”

Deputy City Administrator Martin stated that the City of McHenry has a strong industrial, healthcare and retail base. However, as a result of shifting economic conditions businesses in these sectors must stay lean in order to remain competitive. The relocation, consolidation and/or closings of struggling businesses are possibilities at any time.

One of the goals of the Economic Development Plan is to develop strategies to retain existing business in the City by implementing a business retention program. Business retention is an important aspect of economic development with 75% of new jobs created by existing businesses. The objective of the program is to establish a relationship with the business community.

Deputy City Administrator Martin reiterated that in 2008, the Community Development Committee discussed business retention. At that time Staff developed a Business Retention Survey targeted at large manufacturing employers. A five-minute marketing video was prepared by the City in conjunction with the McHenry Area Chamber of Commerce. In 2009 the Council adopted an Economic Development Plan and a business retention event was held at Medela, Inc. This year, Staff has been working with the President of Chirch Global Manufacturing and has developed a short list of alternative financing options that could be made available to businesses, as opposed to traditional bank or conventional lending methods.

Deputy City Administrator Martin informed the Committee that many cities have adopted formal business incentive programs and offer means by which a business could obtain low-
interest financing, sales tax rebates or other programs to leverage potential investment in the community. The programs are common today but funding is often limited due to the financial conditions of many communities in McHenry County. The City of McHenry currently offers the following economic development incentives:

- Tax Increment Financing District;
- Revolving Loan Fund Program;
- Façade Improvement Grant Program;
- Business District; and
- Industrial Revenue Bonds.

Deputy City Administrator Martin noted that several different methods of economic development incentives exist for the Committee to consider, such as expanding the list of incentives currently offered, development of a specific economic policy (other than the goals and objectives outlined in the current Economic Development Plan) and establishing preferred or primary economic development areas, corridors or zones.

Deputy City Administrator Martin noted that resources are available that are not used to the fullest potential and that few businesses are aware of (i.e., the Small Business Development Center at Shaw Center). The Small Business Development Center offers counseling, information regarding government funded programs, and services are free of charge.

Deputy City Administrator Martin suggested as a future project a proposal for a strategy encouraging residents to shop locally. Also, next year he proposed a project providing five different and diverse individuals with disposable cameras, requesting that they take photographs of different locations with 12 “likes” and 12 “dislikes.”

Deputy CityAdministrator Martin stated he was providing this information to the Committee as an introduction to potential economic incentives and programs that could be considered regarding formulation of a draft policy or program. If the Committee is interested in establishing a policy, Staff will research the issues further.

Chairman Alderman Condon opined that she is in favor of the idea encouraging people to “Shop McHenry.” Alderman Peterson concurred with Alderman Condon, stating he is always in favor of encouraging people to shop locally.
Alderman Santi indicated he liked the idea about the distribution of cameras to five individuals, so long as multiple demographics are served. Alderman Santi suggested that whatever the project it be a joint effort with the Chamber of Commerce.

Deputy City Administrator Martin informed the Committee that he was currently in the process of informally obtaining information from someone with extensive marketing experience. He is also attempting to ascertain the cost of a formal proposal, which would provide direction to the City regarding any marketing efforts. Alderman Peterson opined he would be interested in listening to a proposal. Chairman Alderman Condon stated that she would like to see a draft of written policy regarding specific incentives at the next scheduled meeting of the Community Development Committee.

It was the consensus of the Committee to direct Staff to prepare a draft form of a written policy regarding specific incentives for economic development to be reviewed at the next scheduled meeting of the Community Development Committee.
COMMUNITY DEVELOPMENT COMMITTEE MEETING
Tuesday, May 17, 2011
Aldermen’s Conference Room, 7:00 p.m.

In Attendance: Committee Members: Chairman Alderman Condon, Alderman Peterson and Alderman Santi. Absent: None. Also in Attendance: Deputy City Administrator Martin, Construction and Neighborhood Services Director Schwalenberg and City Clerk Jones.

Also in Attendance: Mr. Adrian Plante, 1207 Broadway, McHenry, IL (gogreenwithenvi@gmail.com)

Mr. Ed Fuhrmann, 214 Sprucewood Ct., Round Lake Beach, IL (thefuhrmanns@sbcglobal.net)

Ms. Peggy Larson, 1013 Hilltop, McHenry IL (peggley29@att.net)

Mr. Don Jarrett, 912 N. Cedar Lake Road, Round Lake Beach, IL

Chairman Alderman Condon called the meeting to order at 7:02 p.m.

Public Input Session
No one signed in to speak during the Public Input Session.

Discussion Regarding Economic Development Strategy
Deputy Administrator Martin stated at the committee’s October 2010 meeting, the Community Development Committee discussed economic development as well as potential incentives. A “shop local” initiative was discussed, as well as other ideas such as having different people take photographs throughout the community. Staff provided an update on a “Shop Local” effort, which is currently underway with the McHenry Area Chamber of Commerce. Staff also provided local examples of cities which have adopted formal business incentive programs and offer means by which a business could obtain low-interest financing, sales tax rebates or other programs to leverage potential investment in the community.

At that time, it was the consensus of the Committee to direct Staff to draft an Economic Development Strategy for the City of McHenry.
Deputy Administrator Martin presented the Committee with a draft Economic Development Strategy for review.

Chairman Alderman Condon stated she is pleased with the draft. She opined she likes not having specific numbers as each project is unique.

Alderman Santi stated that he likes that the Strategy is open-ended so the guidelines can be adjusted. He opined he would like to see the Strategy become a working document soon.

Motion by Peterson, seconded by Santi to present the Economic Development Strategy for the City of McHenry to full Council for consideration.

Aye: Condon, Santi. Peterson
Nay: None.
Absent: None.
Motion carried.
Economic Development Strategy for the City of McHenry
Policy adopted by Council action 7/25/2011

The City Council is acutely aware of the challenge of maintaining the quality of life residents and businesses alike have come to enjoy and expect without compromising the City’s long-term economic sustainability. To this regard the City Council adopted an Economic Development Plan in January of 2009 and the Economic Development Strategy outlined in this document is centered around the goals and objectives included in the plan. Following are general guidelines for economic incentive requests, required submittals and evaluation criteria which will be utilized in determining if an economic incentive is warranted.

To realize the future vision of McHenry, there must be a strong, yet realistic strategy that will build upon the City’s strengths and work to eliminate weaknesses. The successful strategy will capitalize on the many opportunities available and minimize threats. Goals are the end result toward which all effort is directed and must be specific, measurable and realistic. The following goals were adopted by the McHenry City Council as part of the Economic Development Plan and are the focus of the City’s Economic Development Strategy.

1. Create a vibrant Downtown.
2. Develop and Implement Strategies to Retain Existing Businesses in the City.
3. Enhance the existing retail base.
4. Encourage Retail Development on the South Side of the City.
5. Market McHenry as a Character Counts! Community and a Great Place to Live, Work, Play and visit.
6. Create Opportunities for Industrial, Job Generating Development AND Work to Locate a Facility for Large-Scale Meetings and Events in the City.

Guidelines for Economic Incentives
The City of McHenry, at its sole discretion, may approve requests for any economic incentive paid to a specific business. Nothing included in the Policy shall be deemed to require and/or imply a guarantee of economic development funding assistance even if all of the subsequent guidelines are met.

The following guidelines should be referenced in the implementation of this strategy.

1. Economic incentives considered by the City must provide a demonstrable return to the City for the future investment of incremental tax revenue and will only be considered if the project would not be possible without this assistance.

2. Incentives shall only be considered for projects which are consistent with the vision for the City, as well as the goals outlined in the City’s Economic Development Plan.

3. Requests for economic development assistance must be in the form of a written request which shall include, at a minimum: detailed financial information that demonstrates the business/developers projected revenue that the project is expected to generate. The basis
for the financial estimates should be included. This information will be regarded as proprietary and will remain confidential.

4. The applicant will demonstrate that but for financial assistance requested from the City, the project would not otherwise be carried out. The developer will provide an affidavit to such effect.

5. Requests for economic incentives will generally be based upon project costs, costs of the development including land, site and public infrastructure, building and site amenity costs necessary to constitute an operating commercial or industrial project. Financial assistance will not include interest on the developer’s invested cost that the incentive is being applied to.

6. All project assistance from the City will be provided based on a negotiated Economic Incentive Agreement between the City and the private party and adopted by resolution. The agreement will contain a cost recovery process to follow in the event that the assisted project fails prior to the completion of the period covered by the incentive.

7. The subject project must comply with the City’s approved design guidelines and development standards if applicable.

8. The City will not consider any requests for the waiver of the following fees or charges: recapture fees, utility fees, fees from other taxing districts, or City consultant review fees.

9. In addition to the policies set forth above, the following provisions apply:

   A. The adoption of these policies by the City Council in the form of a resolution should not be construed to mean that the provision of financial incentives using incremental revenues to be generated by a proposed project is inherently approved for any applicant and/or project that may be able to comply with the policies as set forth herein. Each project will be approached as an entity to be independently evaluated.

   B. The City reserves the right to amend, modify, or withdraw these policies; revise any requirement of these policies; require additional statements, sworn affidavits or other information from any applicant/developer, to negotiate or hold discussions with any applicant/developer and/or project which does not completely conform to the policies as set forth above, to waive any nonconformity with these policies, to eliminate these policies in whole or in part, if the City deems it is in its best interest to do so, and to waive any timetables established by ordinance, resolution or motion.

   C. Submission of a written request for economic development assistance that complies with the spirit and intent of these policies does not commit the City approval of the development/redevelopment project associated with said application.
Submittal Requirements

Requests for economic incentives must be written and include, at a minimum, the following information.

1. Documentation indicating how the request meets the referenced Evaluation Criteria in this policy, as well as the City’s overall Economic Development Strategy and Economic Development Plan.

2. Amount of applicant’s investment in the project.

3. Level of the incentive requested.

4. Detailed business or development pro forma.

5. Proof of applicant’s financial stability or business plan.

Evaluation Criteria

Each request shall be generally evaluated based upon the following criteria.


2. Revenue benefit to the City.

3. Level of circumstances with the property characteristics that create challenges or practical difficulties regarding the development of the site.

4. Number and quality of jobs produced.

5. Strong public benefit to the City.

6. The ability of the development to spur additional economic development in the area.

7. The impact of a proposed development on the existing businesses within the City.

8. Level of applicant’s creditworthiness and financial strength.

9. Level of compliance with approved design guidelines and development standards.
ADDENDUM TO CITY OF MCHENRY ECONOMIC DEVELOPMENT STRATEGY UNDERUTILIZED PROPERTY TAX ABATEMENT AND INCENTIVE PROGRAM

INTRODUCTION

In accordance with its current Economic Development Strategy the City of McHenry can authorize a sales tax rebate as an incentive and means of encouraging the development, expansion or redevelopment of a property by a commercial sales tax producing business. The Underutilized Property Tax Abatement and Incentive Program is an extension of this existing program, focusing on property tax abatement for qualified businesses, which may be utilized in conjunction with or as an alternative to a sales tax rebate for non-sales tax generating businesses.

Property tax abatement is an incentive, authorized by Illinois State Statutes, that the City of McHenry may offer to a commercial or industrial business expanding an existing facility or locating a new facility to a formerly vacant building. It allows a business to be rebated a portion of existing property tax revenue or the difference between the current property tax revenue from a building or site and the resulting property tax revenue after expansion, improvement, or new construction. Since participating taxing district or districts involved forego property tax revenue, there must be a clear purpose and need for abatement. The City of McHenry administers the process, does a preliminary evaluation of the proposed purpose and need and presents the application to the affected taxing districts for their consideration.

PURPOSE AND NEED FOR PROGRAM

The purpose of the Underutilized Property Tax Abatement and Incentive Program is to encourage reinvestment in existing improved vacant or underutilized properties through a property tax abatement program instituted through multiple taxing bodies. Over time assessed valuations of vacant or underutilized properties decrease or remain stagnant hindering tax growth for all applicable governmental bodies, and the intent of this program through intergovernmental cooperation is to abate some portion of property tax increase over some agreed-upon time period following property redevelopment and/or reoccupation of a previously-vacant building. City sales tax rebates can also be utilized in conjunction with property tax abatement.
ADDENDUM TO CITY OF MCHENRY ECONOMIC DEVELOPMENT STRATEGY UNDERUTILIZED PROPERTY TAX ABATEMENT AND INCENTIVE PROGRAM

A goal of this program is to be able to effectively market specific properties to potential investors, developers and/or businesses, which at one time contained sales and/property tax producing businesses, were home to job-generating companies but due to various circumstances have since been vacated, become obsolete due to the size of the land building or a combination thereof. Below are properties which the City is specifically targeting for this program, but this does not preclude other properties from being eligible to participate in the program.

EXAMPLES OF TARGETED PROPERTIES

1. 2019 N Richmond Road (former location of Wal-Mart w/existing 115,923 sf. vacant building)
2. 1900 N Richmond Road (former location of K-Mart/Sears w/existing 88,992 sf. vacant building)

An additional goal of the program is to foster new capital investment in a property, which in turn generates additional assessed valuation and more return for impacted taxing bodies over time. If a company builds a new building or makes capital improvements to an existing building, those investments would be considered new investment, as they represent an addition to the fair market value of the property and thereby increasing the total equalized assessed valuation of the property. However, if a company buys an existing building and makes no additional improvements, property tax abatement may be an option; however, is not as nearly as lucrative because there may only be a nominal, if any increase, to the underlying assessed valuation.

Property tax abatement would primarily be applied only to taxes levied against newly created assessed value for a property. Below is an example which generally illustrates how the property tax abatement portion of this program, under ideal circumstances, would function for properties where new investment is created.

Example: For purposes of example of application of this property tax abatement policy assume the total ad valorem 2011 real estate tax bill, payable to the City in 2012, is $250,000 (revenue year*) for Property Z. Let's assume the total base year tax amount** is $130,000 and the base
ADDENDUM TO CITY OF MCHENRY ECONOMIC DEVELOPMENT STRATEGY UNDERUTILIZED PROPERTY TAX ABATEMENT AND INCENTIVE PROGRAM

year in this example is 2009. The total base year tax amount is subtracted from the total revenue year amount payable to the City for the specific revenue year, which in this example, is revenue year 2011. Finally, let’s also assume 75% of the increase from the base year tax amount is being rebated to the developer and remaining 25% payable to the City of McHenry. Using this illustration the calculation would be:

Revenue Year 2011: $250,000
Total Base Year Tax Amount 2009: $130,000
$120,000

The difference under this example is then multiplied by percentage of abatement for the developer of Property Z, which in this example is:

$120,000
X .75
$90,000

Under this example for Revenue Year 2011 the City would receive $160,000, which is the sum of the Total Base Year Tax Amount of $130,000 plus $30,000, which equals 25% of the difference between the 2011 Revenue Year Tax Amount ($250,000) and the 2009 Total Base Year Tax Amount ($130,000). The developer of Property X would receive a real estate tax abatement of $90,000, which is 75% of the difference between the 2011 Revenue Year Tax Amount due the City and the 2009 Total Base Year Tax Amount.

* Revenue year means the year the real estate tax liability is assessed levied and accrues. The revenue year tax is billed, due and payable during the next calendar year.

** Total Base Year Tax Amount refers to the existing property tax bill prior to new capital investment and reoccupation of a previously-vacant property. In this instance property tax abatement is only applicable to taxes levied against the increase in property assessed valuation from tax years following completion of capital improvements. Increase in assessed valuation
resulting from new investment is predicated on when improvements are completed, occupancy is granted and how this coincides with the actual timing of the partial/full reassessment of the property.

**GENERAL PROGRAM CRITERIA**

1. Property must be located within City of McHenry corporate limits;
2. Proposed use/redevelopment of property must generally be consistent with the Guidelines for Economic Incentives included in approved City of McHenry Economic Development Strategy;
3. Proposed use/redevelopment of property must be consistent with City of McHenry Comprehensive Plan;
4. Property must contain at least one existing principal building;
5. Principal or a minimum of one building on property must contain a minimum of 50,000 gross square feet of continuous usable space (Subdivided buildings containing 50,000 square feet or greater in total square footage will generally not be considered);
6. Taxpayers are required to file an annual certification that the property for which the tax exemption has been granted continues to be used for industrial or commercial purposes;
7. The property on which the tax is to be abated must be owner-occupied or leased. In the case of leased properties, the developer/owner of the leased property will need to be a party to the abatement agreement with a renewable option after 5 years, they could be granted 10-year abatement. A company must submit a signed lease of a minimum of 3-years in order to be eligible to apply for property tax abatement. Tax abatement will not be offered in excess of the length of the lease; however, should a company have for example a 5-year lease with a renewable option after 5 years; they could be granted 10-year abatement. Should the company choose not to renew their contract after five years, the abatement would cease;
8. Businesses receiving tax abatement must abide by the Illinois Prevailing Wage Act, and comply with all other relevant local, state and federal regulations;
9. Abatement will be calculated based on annual increases in assessed valuation following base year irrespective of changes in tax rates;
10. It shall be required that any firm seeking an abatement of taxes utilize qualified contractors who utilize regional labor when initiating improvements to its real estate, subject to the following: The only allowable exceptions are for services that are not provided locally within the City of McHenry;

11. The number of years of tax abatement, percentage and/or amount of the annual abatement and the total multi-year tax abatement will be determined on a case by case basis;

12. Businesses proposing to relocate operations within the City of McHenry and seeking a property tax abatement and/or sales tax rebate must demonstrate the expansion cannot be accommodated at the current site due to constraints, including but not limited to:
   a. lack of adequate street or road capacity or access;
   b. lack of available contiguous land for expansion;
   c. excessive land costs in the current location;
   d. reconstruction requires a shutdown of operations;
   e. structurally or functionally obsolete facility;
   f. lack of adequate utility capacity;

**PROCESS**

Abatement requests are reviewed on a case-by-case basis as to their economic, strategic and fiscal impacts upon a taxing district or districts. Once a request is submitted, the City of McHenry evaluates it and approaches the impacted taxing districts to secure an indication of their support for the project. If a taxing district or districts expresses an interest in supporting the application, the City of McHenry will convene a meeting or teleconference among interested parties to review the proposed project, including status of other state and local incentive applications and the taxing district or districts’ approval process. The goal is to develop the parameters for a Letter of Intent, including proposed abatement level, the approval process/schedule and the submission under confidentiality of required information. If all parties sign on to the Letter of Intent, the City of McHenry will formulate
ADDENDUM TO CITY OF MCHENRY ECONOMIC DEVELOPMENT STRATEGY UNDERUTILIZED PROPERTY TAX ABATEMENT AND INCENTIVE PROGRAM

A Property Tax Abatement Agreement for approval by the taxing district or districts’ governing board(s), the City of McHenry and other affected parties. After the agreement is executed by all parties, the City of McHenry will record it against the impacted property.

The City and every applicable taxing district(s) must approve an ordinance each year property tax abatement is authorized by an agreement. Following passage by the governing board the approved ordinance must be certified by each taxing authority. The ordinance should include the property parcel identification number, title holder and the approved abatement percentage. The ordinance must be filed simultaneously with the McHenry County Clerk’s Office and the McHenry County Treasurer’s Office. All abatement ordinances must be filed with the Clerk’s and Treasurer’s Offices no later than the following March of the proposed tax abatement year. For example an ordinance authorizing a property tax abatement for 2013 taxes must be filed no later than March 2014.

IMMEDIATE REPAYMENT OF PROPERTY TAX ABATEMENT WILL BE REQUIRED UNDER ANY OF THE FOLLOWING CONDITIONS

1. There is a material misrepresentation in the company’s application;
2. The business becomes insolvent, but only in the event the insolvency causes the subject property to cease operations;
3. The sale of the subject property or assignment of the Tax Abatement Agreement, except as may be provided in the Property Tax Abatement Agreement;
4. The construction of residential improvements on the subject property, provided, however, that in the event said residential improvements are identified by separate Permanent Index Numbers (PIN), the cancellation of the abatement shall apply only to the abatement attributable to those PIN numbers so identified;
5. The company files tax rate objections or otherwise challenges the rate of taxes levied by and extended by the taxing jurisdictions during a period of time commencing on the date of the Property Tax Abatement Agreement and concluding
on December 31st of the third year following when the last abatement provided for is realized;
6. Assignment of this Agreement or the subject property ceases to be operated as originally intended, except as provided in the Property Tax Abatement Agreement.
7. The tax abatement will be canceled if the private individual or entity relocates its facility outside of the City of McHenry;
8. The Final Tax Abatement Agreement shall terminate in the event that the project is not fully constructed, or the agreement is not formally amended, and operating as proposed within three (3) years of the date of the Final Tax Abatement Agreement;
9. Any company approved for tax abatement will be required to maintain operations at the project location for three years following the termination of the abatement or be required to repay the abatement to the issuing taxing district(s).
VISION STATEMENT FOR THE CITY OF MCHENRY

A thriving city that promotes smart, sensible growth while preserving and enhancing its small-town charm!

WEST ILLINOIS ROUTE 120 CORRIDOR ENHANCEMENT INITIATIVE

An economic incentive program for site development and redevelopment and infrastructure improvements to foster economic investment on West Illinois Route 120 between Meadow Lane on the east and Ringwood Road on the west!
TABLE OF CONTENTS

Economic Development Vision for the City of McHenry ........................................... 3
City of McHenry Economic Development Goals ......................................................... 3
City of McHenry General Guidelines for Economic Incentives ................................ 3
West Illinois Route 120 Corridor Enhancement Initiative .......................................... 4
Overview and Summary of Program ........................................................................... 4
Desired Goals to be Achieved ...................................................................................... 4
Projects Eligible for Assistance ................................................................................... 4
Application Process ..................................................................................................... 4
Project Evaluation Criteria ......................................................................................... 5
Priority Projects .......................................................................................................... 5
Ineligible Uses .............................................................................................................. 5
West Illinois Route 120 Corridor Enhancement Initiative Application Form .. 6
Business Certifications ................................................................................................. 10
Economic Development Vision
City of McHenry

The City Council is acutely aware of the challenge of maintaining the quality of life residents and businesses alike have come to enjoy and expect without compromising the City’s long-term economic sustainability. To this regard the City Council adopted an Economic Development Plan in January of 2009 Economic Development Strategy in July 2011. Following are six goals established by the McHenry City Council for economic development and guidelines, adopted as part of the Citywide Economic Development Strategy, for economic incentive requests. The goals are also incorporated in the Economic Development Strategy.

City of McHenry Economic Development Goals (adopted as part of Economic Development Plan January 2009)

1. Create a vibrant Downtown.
2. Develop and Implement Strategies to Retain Existing Businesses in the City.
3. Enhance the existing retail base.
4. Encourage Retail Development on the South Side of the City.
5. Market McHenry as a Character Counts! Community and a Great Place to Live, Work, Play and visit.
6. Create Opportunities for Industrial, Job Generating Development AND Work to Locate a Facility for Large-Scale Meetings and Events in the City.

City of McHenry Guidelines for Economic Incentives (adopted as part of Economic Development Strategy July 2011)

- Economic incentives considered by the City must provide a demonstrable return to the City for the future investment of incremental tax revenue and will only be considered if the project would not be possible without this assistance;
- Incentives shall only be considered for projects which are consistent with the vision for the City, as well as the goals outlined in the City’s Economic Development Plan;
- Requests for economic development assistance must be in the form of a written request which shall include, at a minimum: detailed financial information that demonstrates the business/developers projected revenue that the project is expected to generate. The basis for the financial estimates should be included. This information will be regarded as proprietary and will remain confidential;
- The applicant will demonstrate that but for financial assistance requested from the City, the project would not otherwise be carried out. The developer will provide an affidavit to such effect;
- Requests for economic incentives will generally be based upon project costs, costs of the development including land, site and public infrastructure, building and site amenity costs necessary to constitute an operating commercial or industrial project. Financial assistance will not include interest on the developer’s invested cost that the incentive is being applied to;
- All project assistance from the City will be provided based on a negotiated Economic Incentive Agreement between the City and the private party and adopted by resolution. The agreement will contain a cost recovery process to follow in the event that the assisted project fails prior to the completion of the period covered by the incentive;
- The subject project must comply with the City’s approved design guidelines and development standards if applicable.
West Illinois Route 120 Corridor Enhancement Initiative

Overview and Summary of Program
Illinois Route 126, between Meadow Lane and Ringwood Road, has deteriorated economically and not seen substantial economic investment for some time due to property and building obsolescence, dilapidated structures, incompatible land uses and lack of community planning. The Village of Wonder Lake has approved Thatcher Meadows Subdivision, which includes hundreds of dwelling units, including a commercial area.

The West Illinois Route 120 Corridor Enhancement Initiative is a proactive measure taken by the City Council to spur economic investment and reinvestment, encourage new businesses to locate along the West Illinois Route 120 Corridor and maintain and promote expansion of existing businesses. Owners of property along West Route 120 between Meadow Lane and Ringwood Road are eligible to participate in the Enhancement Program. Those businesses who are tenants of commercial buildings in this same area are eligible if the building owner’s consent is provided in writing.

Types of financial assistance extended by the City may but not limited to include sales tax rebate, property tax abatement (City portion only) and waiver of permit and capital development fees. Accelerated sales tax rebates for “priority projects” may be considered. The accelerated rebate would entice a large investment that may produce potential large sales tax revenues and reflect a willingness to attract and encourage large economic investment by allowing more rapid incentive recovery.

Desired goals to be achieved through this program
- Encourage a high quality appearance of buildings and site design;
- Promote coordinated development of parcels to achieve efficient off-street parking and maximum utilization of land area;
- Stimulate private investment upgrading existing buildings or expansion of existing businesses and new construction;
- Assemble multiple parcels for neighborhood-oriented retail and/or service development;
- Make the area more pedestrian-friendly;
- Provide for improvements to create safe and efficient vehicular access, minimize curb cuts, encourage shared parking and cross-access;
- Establish high screening and transitional yard requirements to minimize land use conflicts between commercial and adjacent residential;
- Reduce blighted/conservation area attributes along the corridor;
- Provide for lighting or coordinated signage improvements to make the corridor visually appealing for people wishing to patronize businesses.

Projects eligible for assistance under the program
- Interior remodeling;
- Environmental remediation activities;
- Relocation expenses of expanding businesses;
- Building rehabilitation;
- Storm sewer, sanitary and water system improvements;
- Demolition;
- Business expansion;

Application Process
- Submittal of completed application with required attachments;
- Preliminary meeting with staff will be scheduled to discuss application and additional information required will be noted;
- First project presented to full City Council for consideration, initial review and feedback;
- Second project presentation to full City Council and consideration of incentive/reimbursement agreement;
- Payment to applicant will be solely by monetary reimbursement following completion of work and generation of income from property;
Project Evaluation Criteria*
- Applicant/owner must be opening a new business, residential building and/or expanding an existing business within the boundaries of the corridor;
- Amount of new or additional sales tax;
- Significant new or increased property tax;
- Financial feasibility;
- Significant safety improvement (consolidation of lots, reduced curb cuts, increase cross-access between businesses);
- Bringing non-conformities into conformance;
- Listed as priority project.

Priority Projects*
- Motor vehicle dealerships (new or expansion of existing);
- Sales tax producing businesses;
- Multi-family housing with significant increase in property taxes;
- New construction or significant enhancement/improvement of existing dilapidated structures;
- Full-service restaurants;
- Specialty stores;
- Grocery stores.

Ineligible Uses**
- Adult-oriented uses;
- Financial institutions;
- Towing facilities or junkyards;
- Motor vehicle body or repair facilities;
- Not-for-profit organizations (not exclusively but generally);
- Home Occupations;
- Single-family residential;
- Taverns.

*Projects will be evaluated based on their overall economic impact (revenue generation, fiscal and socioeconomic impacts, employment generation, companies located in more developed economic regions, businesses which are complimentary to existing supplier base and capital, higher than average wages, amount of capital investment and taxable sales. (Projects generating new wealth and projects with a larger overall economic impact on the community will be given a higher priority).

**Ineligible businesses are as-defined in current City of McHenry ordinances. If a use is not defined in any ordinance the common dictionary definition will be applied.
West Illinois Route 120 Corridor Enhancement Initiative

Application Form*
2012

Project Address

Name of Applicant/Company

Authorized Applicant Signature

(Print/Type name and title)

Date of Submittal

Requested Reimbursement Amount

Prepared by the City of McHenry
Please submit application to: Douglas Martin, Deputy City Administrator
333 S Green Street
McHenry, IL 60050
dmartin@ci.mchenry.il.us

*Personal and proprietary financial information requested as part of this application will be kept confidential. Documents, personal and proprietary financial information requested will be kept on file with the City of McHenry for review only by the Mayor and City Council Members and selected staff. However, non-personal and non-proprietary in this application, along with the business plan, will be distributed as part of the public record.
1. **Type of Project** (Select one or more)*
   - Public Infrastructure/Facilities
   - Streetscape Enhancement
   - Multi-family Construction
   - New Commercial Construction
   - Expansion of existing commercial
   - Façade Improvements/Building Rehabilitation
   - Demolition

2. **Business Street Address**

3. **City, State, Zip**

4. **Project Start Year (Total Time Duration)**

5. **Industry Type (NAICS Code)**

6. **Service Region**

7. **Contact Information**
   (Person/people responsible for this application and the actual implementation of the project; list all applicable)
   
   **Name(s):**
   
   **Title(s):**
   
   **Date of Establishment:**
   
   **Sole proprietorship** ______  **Partnership** ______  **Corporation** ______

   **Management**
   
   **Name(s):**
   
   **Title(s):**
   
   **Percentage Ownership:**
   
   **Address:**
   
   **Phone:**
   
   **Cell phone:**
   
   **Fax:**
   
   **Email:**

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.
8. Describe the company/organization* (History, Products, Technology, Growth Opportunities, Competitors):


9. Describe Employment and Wages*

Current # of Employees:
Skilled: __________
Semi-Skilled: __________
Unskilled: __________
New Direct Jobs Created: __________
New Direct Annual Payroll: __________
Percent Living in City of McHenry: __________
Percent Living in McHenry County: __________
Total Number of Employees: __________

10. Project Objective *

Revenue Generation: ( )
Streetscape Improvement: ( )
Removal Slum/Blight: ( )
Job Creation/Retention: ( )
Infrastructure Improvement: ( )

Describe proposed project and explain fully how the proposed project meets the Objectives of the West Route 120 Corridor Enhancement Initiative and City of McHenry Economic Development. Fully describe the activity for which you are requesting funds and if the project involves physical location (i.e. a building, expansion, streetscape, infrastructure). Quantify your anticipated accomplishments. (e.g., (x) increase in sales/property tax, 30 jobs created, removal of (x) number of curb cuts, etc.) Clearly identify current levels of service provided vs. increases due to requested reimbursement amount (Applicants should provide a budget narrative specifically describing how applied-for funds will be allocated to the project. Describe how required match will be made available within the project completion schedule. Demonstrate ability to secure matching funds through past efforts or current funding plans. Describe activities to be funded with matching funds (Use additional pages if necessary).

11. Real Estate Costs*

New Construction Cost: __________
Land Cost: __________
Building Cost: __________
Annual Lease Amt: __________
Building Square Footage: __________
New Building Expansion Square Footage: __________

12. Equipment Purchases*

Value of New Equipment Purchases: __________
(%) Sales Tax Exempt: __________

13. Annual Utilities Usage*

Telecommunications: __________
Electric (kWh): __________
Gas (Therms): __________

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.
14. Annual Direct Taxable Sales (Result of New Project/Expansion Only)*

15. Annual Taxable Corporate Income*

16. Project Completion Schedule*

A. Maximum time anticipated to complete activity:
   Beginning Date:
   Ending Date:

B. Steps or phases necessary to complete activity. (Attach a project schedule demonstrating the amount of progress that would be made on a monthly basis.

C. If the property is currently not zoned for the proposed activity please provide a timeline for any rezoning, conditional use permit or variance required.

17. Required Attachments*

A. Business Plan (history of business and market information identifying company products and services as well as major customers.

B. Business Financial Statements (Minimum three years historical plus most recent 90 days (balance sheet, profit and loss statement and reconciliation of net worth. Projected earnings report (three year projected balance sheet and profit and loss statement, plus one year monthly cash flow.

C. Personal Financial Statements from previous two years of each principal owning 20% or more of business.

D. Documentation evidencing existence of business entity and authorization to enter into loan:

   a) For Corporations:
      1. Articles and Certificates of Incorporation.
      2. Secretary’s Certificate of Board of Directors’ Resolution Authorizing Loan.

   b) For Partnerships:
      1. Certificate of General or Managing Partner authorizing loan.
      3. Partnership Agreement

   c) For Sole Proprietorship:
      Operating Licenses/DBA Certification.

   d) For Land Trust:
      1. Trust Agreement.
      2. Letter of Direction to Trustee authorizing execution/acknowledgment of loan documents.
      4. All Preliminary Documents for Guarantor under a, b or c above.

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.
Business Certifications*

I, the undersigned, hereby certify that ___________________________ is a business in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. No tax liens have been filed, including but not limited to, state, county, municipal or federal against the business, any partners of the business, the majority shareholders of the business, or in the name of any related business owned by the recipient.

I further certify that all information contained within this application or submitted by me to the City of McHenry on behalf of the business, is subject to the Freedom of Information Act, with the exception of all business and personal financial information which shall be maintained strictly confidential by the City of McHenry. I understand that all completed applications are submitted for review and action by the City of McHenry City Council and that their decision is final.

I further certify that ___________________________ is an equal opportunity employer and do not discriminate and do not discriminate on the basis of race, creed, color, sex, religion, age, national origin or ancestry, physical or mental handicap, marital status or matriculation. I further certify I understand any monetary reimbursement provided to ___________________________ may be subject to the Illinois Prevailing Wage Law and/or contingent on public funds being sought may be subject to and/or contingent on ___________________________ paying prevailing wage, consistent with the Illinois Prevailing Wage Law.

I certify that all information in this application, including all documentation and attachments, is accurate, complete and true to the best of my knowledge and belief.

__ ___________________________ _______________ __________
Sign and Print Name Title Date

__ ___________________________ _______________ __________
Sign and Print Name Title Date

__ ___________________________ _______________ __________
Sign and Print Name Title Date

__ ___________________________ _______________ __________
Sign and Print Name Title Date

* All applicable parties must complete in order for application to be considered.
Sales Tax Rebates

The City of Woodstock has adopted a policy for rebating a portion of the State Retailer’s Occupation Tax collected by the State of Illinois and paid to the municipality. Requests to participate in this program are considered by the City Council on a case-by-case basis. Nothing included in the Policy shall be deemed to require and/or imply a guarantee of funding assistance.

Policy for Providing Economic Development Funding Assistance Through Rebate of the State Retailer’s Occupation Tax:

Introduction and Purpose:

The City’s Comprehensive Plan stresses that "...establishing and maintaining a climate in Woodstock that encourages business development, fosters investment, responds to the needs of business and entrepreneurs, and cultivates employment and a variety of shopping opportunities for Woodstock residents is of paramount importance". To this end, the primary economic development goals of the City are to:

- Promote the economic well-being of Woodstock, including the development of industrial, commercial, and residential elements of the community;
- Encourage commercial development on in-fill sites and in coordinated areas of unified design; and,
- Encourage economic revitalization of established areas, including downtown Woodstock.
This provides the tools that are necessary to carry out the goals and objectives of the Plan specific to the development of commercial/retail development and to provide for growth and opportunities that otherwise may not be possible without the aid of incentives.

**General Policy Guidelines:**

The City of Woodstock, at its sole discretion, may approve requests for rebating a portion of the State Retailer’s Occupation Tax collected by the State of Illinois and paid to the municipality and paid at a specific commercial/retail business. Nothing included in the Policy shall be deemed to require and/or imply a guarantee of economic development funding assistance even if all of the subsequent guidelines are met.

**Detailed Policy Guidelines:**

The following guidelines should be referenced in the implementation of this Policy.

1. Economic incentives considered by the City must provide a demonstrable return to the City for the future investment of incremental tax revenue and will only be considered if the project would not be possible without this assistance.

2. Incentives shall only be considered for projects at high priority areas within the City. These include, but are not limited to:

   **Commercial/Retail:**

   - Redevelopment sites (former Farm & Fleet, former K-Mart, former Alco/Hornsby's, former Guardian Electric site, former Kentucky Fried Chicken site)
   - Route 47 Corridor within existing municipal limits
   - Route 14 Corridor within existing municipal limits
   - Partially developed commercial sites (Jewel/Osco outlots, Eastwood Center, Menards lot)

3. Requests for economic development assistance must be in the form of a written request which shall include, at a minimum: detailed financial information that demonstrates the business/developers projected revenue that the project is expected to generate. The basis for the financial estimates should be included. This information will be regarded as proprietary and will remain confidential.

4. Only that portion of the State Retailer’s Occupation Tax revenues which are directly accrued on an annual basis by the proposed project, limited to a portion of the 1% for which the municipality is eligible, will be considered for use to assist the development or redevelopment activities and costs. These incremental revenues are those which annually result from the proposed project in excess of current City revenues being generated from the project site or area. Any sales tax revenues generated pursuant to the City’s ability to impose additional tax under Home Rule Authority, when achieved, are not eligible for rebate.

5. The applicant will demonstrate that but for financial assistance requested from the
City, the project would not otherwise be carried out. The developer will provide an affidavit to such effect.

6. Normally, not more than 25% of the total project cost will be supported by incentive revenues. Total project cost is the cost of the development of the project including all land, site, and public infrastructure and building and site amenity costs necessary to constitute an operating commercial or industrial project. Financial assistance shall not exceed 50% of the incremental City revenue to be generated by the State Retailer’s Occupation Tax by commercial/retail users over a maximum 10-year period, unless otherwise approved by City Council. Financial assistance will not include interest on the developer’s invested cost that the incentive is being applied to.

7. All project assistance from the City will be provided based on a negotiated Economic Development Agreement between the City and the developer and adopted by resolution. The agreement will contain a cost-recovery process to follow in the event that the assisted project fails prior to the completion of the period covered by the incentive.

8. The subject project must comply with the City’s approved design guidelines and development standards.

9. The City will not consider any requests for the waiver of the following fees or charges: recapture fees, utility fees, fees from other taxing districts, or City consultant review fees.

10. Incentives for adult uses, home occupations, and financial institutions will not be considered.

11. In addition to the policies set forth above, the following provisions apply:

A. The adoption of these policies by the City Council in the form of a resolution should not be construed to mean that the provision of financial incentives using incremental revenues to be generated by a proposed project is inherently approved for any applicant and/or project that may be able to comply with the policies as set forth herein. Each project will be approached as an entity to be independently evaluated.

B. The City reserves the right to amend, modify, or withdraw these policies; require additional statements, sworn affidavits as to the "but for" provisions of these policies or other information from any applicant/developer, to negotiate or hold discussions with any applicant/developer and/or project which does not completely conform to the policies as set forth above, to waive any nonconformity with these policies, to eliminate these policies in whole or in part, if the City deems it is in its best interest to do so, and to waive any timetables established by ordinance, resolution or motion.

C. Submission of a written request for economic development assistance that complies
with the spirit and intent of these policies does not commit the City approval of the development/redevelopment project associated with said application.

**New Project/Construction:**

Minimum requirements for the consideration of incentives shall be the development or redevelopment of a building 50,000 square feet or larger in area, the creation of at least 50 FTE local positions and the generation of at least $100,000 per year of net municipal sales tax ($10,000,000/year gross sales). Restaurant sites may be considered on a case-by-case basis if not meeting these requirements.

**Existing Retailer Expansion/Relocation within Woodstock:**

Minimum requirements for the consideration of incentives shall be the development or redevelopment of a building the same size or larger than existing location and maintaining all current FTE and PTE positions. Projects which reduce the number of employees will not be considered. To be considered, existing retailers must demonstrate in each of the previous three years net municipal sales tax revenue not less than $100,000 and show projected growth in sales tax revenue as a result of planned expansion/relocation.

**Submittal Requirements:**

Requests for economic incentives must be in the form of a written request which shall include, at a minimum, the following information.

1. Documentation indicating how the request meets the referenced Evaluation Criteria in this policy.
2. Amount of applicant’s investment in the project.
3. Level of the incentive requested.
4. Detailed business or development pro forma.
5. Proof of applicant’s financial stability or business plan.
6. Affidavit

**Evaluation Criteria:**

Each submittal shall be evaluated based upon the following criteria.

1. Revenue benefit to the City and other taxing bodies.
2. Level of circumstances with the property characteristics that create challenges or practical difficulties regarding the development of the site.
3. Number and quality of jobs produced or retained.
4. Strong public benefit to the City.
5. The ability of the development to spur additional economic development in the area.
6. The impact of a proposed development/redevelopment on the existing businesses within the City.
7. Level of applicant’s creditworthiness and financial strength.
8. Level of compliance with approved design guidelines and development standards.
For more information contact Garrett Anderson at 815-338-3176 or email ganderson@woodstockil.gov.

Web Links
   IL Department of Revenue - FAQ

About Us

Start a Business

Step #1 - Contact Our Economic Development Specialists

Step #2 - Prepare a Business Plan

Step #3 - Find a Location

Step #4 - Plan Review, Inspections & Permits

Step #5 - Open for Business!

Helpful Tips

Incentive Programs

Local Incentives
   Enterprise Zone
   Revolving Loan Fund
Title: City of St. Charles Economic Incentive Policy

Policy #: 2009-4

Approval Date: March 2, 2009

Revision Date:

Sections:
- Introduction
- Eligible Development
- TIF and Sales Tax Incentive Criteria
- General Policies for the Use of Tax Increment Financing & Sales Tax Assistance
- Tax Increment Financing & Sales Tax Assistance Structure
- Non-Profit Organizations/Tax Exempt Property
- Application Process and Procedure

Exhibits:
- TIF and Sales Tax Financial Assistance Application Packet (Part 1 of 2)
- TIF and Sales Tax Financial Assistance Application Packet (Part 2 of 2)

I. INTRODUCTION

The purpose of this document is to provide guidance for the City of St. Charles' (the "City") use of Tax Increment Financing (TIF) and sales tax assistance for development activities. These guidelines establish a framework by which TIF and sales tax incentive requests can be reviewed and evaluated in an objective fashion. For this evaluation, the City will use the criteria indicated in this policy.

It is imperative to maintain and encourage a strong and positive business climate in the City, but this must be done in tandem with cautious review of the long-term financial implications, as well as potential community-wide impacts. As a matter of policy, the City of St. Charles will consider using TIF or sales tax incentives to assist private developments only in those circumstances in which the proposed private projects show a demonstrated financial gap or where significant amounts of sales tax revenue will be realized. This policy identifies the provisions in the proposed economic incentive to be considered by the City.

It is the intention of the City of St. Charles to review requests for TIF and /or sales tax revenue sharing on a case-by-case basis. Proposed agreements to share revenue or costs of improvements must be carefully considered on an individual basis—upon the merits of each situation. It is not the intention of the City to use revenue sharing or incentives to relocate points of sale from neighboring communities or to allow such requests to induce a bidding war for City funds.
City of St. Charles, IL  
Policy – Economic Incentive Policy  
Page 2

This policy shall be used as a guide in processing and reviewing applications requesting assistance. The City Council shall have the option of amending or waiving sections of this policy when determined necessary or appropriate. In the case of TIF assistance, the fundamental purpose is to encourage desirable development/redevelopment projects that would not otherwise occur “but for” the assistance provided through TIF.

It is the intent of the City to provide the minimum amount of assistance to make the project viable. The provision of financial assistance is at the sole discretion of the City. The City reserves the right to reject or approve projects on a case-by-case basis, 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. Meeting policy guidelines or other 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 City’s decision to participate in any agreement should be viewed as a contribution that will aid growth and add long-term value to the community.

II. ELIGIBLE DEVELOPMENT

TIF ELIGIBLE DEVELOPMENT
The type of development for which the City will consider Tax Increment Financing funding includes the following:

1. Business development (Attraction, Retention, or Expansion).
2. Housing (Owner Occupied or Rental).
3. Development consistent with approved TIF plans.
4. Development compatible with other redeveloped properties in terms of land use and capital improvements.

SALES TAX INCENTIVE ELIGIBLE DEVELOPMENT

1. Business development (Attraction, Retention, or Expansion), or has been previously identified by the City Council as a priority development site.
2. Underserved business segment.

III. TIF AND SALES TAX INCENTIVE CRITERIA

Two of the following criteria must be met in order for incentive requests to be considered:

1. Attracting, retaining or expanding businesses for the purpose of improving the City’s economic base.
   - Documentation of financial projections must be provided by the firm making the request and will serve as the basis for the agreement.
   - Existing sales or transfer sales from existing St. Charles businesses must be accounted for in the projections.
City of St. Charles, IL
Policy – Economic Incentive Policy
Page 2

This policy shall be used as a guide in processing and reviewing applications requesting assistance. The City Council shall have the option of amending or waiving sections of this policy when determined necessary or appropriate. In the case of TIF assistance, the fundamental purpose is to encourage desirable development/redevelopment projects that would not otherwise occur “but for” the assistance provided through TIF.

It is the intent of the City to provide the minimum amount of assistance to make the project viable. The provision of financial assistance is at the sole discretion of the City. The City reserves the right to reject or approve projects on a case-by-case basis, 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. Meeting policy guidelines or other 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 City’s decision to participate in any agreement should be viewed as a contribution that will aid growth and add long-term value to the community.

II. ELIGIBLE DEVELOPMENT

TIF ELIGIBLE DEVELOPMENT
The type of development for which the City will consider Tax Increment Financing funding includes the following:

1. Business development (Attraction, Retention, or Expansion).
2. Housing (Owner Occupied or Rental).
3. Development consistent with approved TIF plans.
4. Development compatible with other redeveloped properties in terms of land use and capital improvements.

SALES TAX INCENTIVE ELIGIBLE DEVELOPMENT

1. Business development (Attraction, Retention, or Expansion), or has been previously identified by the City Council as a priority development site.
2. Underserved business segment.

III. TIF AND SALES TAX INCENTIVE CRITERIA

Two of the following criteria must be met in order for incentive requests to be considered:

1. Attracting, retaining or expanding businesses for the purpose of improving the City’s economic base.
   * Documentation of financial projections must be provided by the firm making the request and will serve as the basis for the agreement.
   * Existing sales or transfer sales from existing St. Charles businesses must be accounted for in the projections.
City of St. Charles, IL
Policy – Economic Incentive Policy
Page 3

- Revenue sharing will be predetermined for a fixed period of time, not to exceed 10 years and will include a “cap” amount.
- Whenever feasible, the agreement provisions should be based upon a percentage of sales taxes produced with a “cap” imposed.
- When applicable, “claw-back” provisions will be utilized. For example, when recipients fail to meet investment, wage, or job creation commitments, they will be required to repay a pro-rated share of the incentive reflecting the level of deficiency as determined prior to the agreement.

2. Desirable business that would enhance the vitality of the City.
4. Presence of extraordinary development/redevelopment costs such as:
   - Remodeling/demolition
   - Environmental remediation
   - Capital purchases
   - Facility expansion
   - Public infrastructure
   - Governmental impositions (road impact fees, storm water retention, road improvements, etc).

5. Proposed increase in employment.
   - Firm has long-term lease for building and/or facility in St. Charles. Long-term is defined as 10 years or more.
   - A minimum of 10 new full time employees.

6. Enhance the streetscape and pedestrian experience and improve the vitality of the area.
7. Improving public infrastructure.
8. Providing a variety of quality housing choices.
9. Quality of development and overall aesthetics are in excess of the mandated legal requirements and design standards.

IV. GENERAL POLICIES FOR THE USE OF TAX INCREMENT FINANCING & SALES TAX ASSISTANCE

1. TIF and sales tax assistance will not be provided to projects that have the financial feasibility (as determined by the City) to proceed without the benefit of the assistance. Assistance will not be provided solely to broaden a developer’s profit margin on the project. Prior to consideration of a TIF and/or sales tax assistance request, the City will undertake an independent analysis of the project costs to ensure that the request for assistance is necessary.

2. Individuals requesting TIF and/or sales tax assistance must demonstrate, to the satisfaction of the City, sufficient equity investment in the project. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project.

3. An independent appraiser hired by the City will determine the fair market value. The developer will be responsible for paying all costs associated with the appraisal.

4. The developer shall provide any market and financial feasibility studies, appraisals, and all information provided to private lenders for the project, as well as any other
information or data which the City or its financial consultants may require in order to review the need for TIF or sales tax assistance.

5. TIF or sales tax assistance will not be used for projects that place extraordinary, unmet demands on City infrastructure or services.

6. The developer shall provide adequate financial guarantees to ensure completion of the project, including, but not limited to, letters of credit, cash escrow, and personal guarantees.

7. The developer must be able to demonstrate to the City’s satisfaction an ability to construct, operate, and maintain the proposed project based upon past experience, general reputation, and credit history.

8. When the project is intended as a for-sale development (i.e., office, retail or residential condominiums), unless authorized by the City Council, the developer must retain ownership of the overall project until final completion; provided, however, that individual condominium units may be sold as they are completed. For all other projects, the developer must retain ownership of the project until completion, stabilization of occupancy, establishment of project management, and initiation of payment of taxes based on the increased project value.

9. All projects are subject to the provisions of Section V (3).

10. The level of TIF or sales tax assistance should be reduced to the lowest possible level in the least amount of time by maximizing the use of private debt and equity financing first.

11. TIF and sales tax assistance shall not exceed 75% of the projected revenue for the project.

12. Each TIF and sales tax incentive project must demonstrate the probability of economic success. The developer shall initiate this effort by submitting to the City preliminary sales, rental, and other projections and/or pro forma analyses concerning the subject project.

13. Development projects receiving TIF or sales tax assistance may be required to provide a full reimbursement of the City’s financial assistance and expenses in the event the Project is removed from the City’s tax rolls during the period of time that the applicable incentive agreement is in existence. The developer shall sign appropriate legal documents indicating agreement with this mandate.

V. TAX INCREMENT FINANCING & SALES TAX ASSISTANCE STRUCTURE

1. TIF or sales tax assistance may be provided by the City on a “pay-as-you-go” note method or via bond proceeds. Requests for up-front financing will be considered on a case-by-case basis, if increment generation is expected to be sufficient to meet initial financing and debt service costs. The developer will be responsible to provide tax bills and any other required information to allow the City to estimate and track the increment produced by the project.

2. The amount of assistance provided to a developer will be limited to the amount necessary to provide the developer a reasonable rate of return on investment in the project and the subject site. A developer’s return on equity, return on cost or internal rate of return will be based on current market conditions, as determined by the City.

3. Projects receiving assistance may be subject to a “claw-back” provision. The claw-back mandates a developer to provide the City, or its financial advisor, with evidence of its annualized cumulative internal rate of return on the investment (IRR), other revenue, or applicable criteria at specified periods of time after project completion. In the case of IRR,
it shall be calculated with equity, revenues, and expenses in accord with generally accepted accounting principles.

4. When the developer owns the subject property and rents space to tenants, supporting documentation shall be provided to the City, including, but not limited to, certified records of project costs and revenues including lease agreements and sales on a per square foot basis. When included as a part of the City / developer agreement, if the records indicate that the developer has received a higher return on equity, a higher return on cost, or a higher internal rate of return than originally contemplated at the time of development agreement approval, the developer and the City shall split, on a 50/50 basis, any increase at or above 125% of the original projected rates of return.

5. When the subject property is a for-sale development and the IRRI cannot be calculated, the developer is to provide financial data after the project is completed. This shall include a calculation of profit on total development costs less the TIF and / or sales tax assistance. If the records indicate that the developer has received a higher return on equity, a higher return on cost, or a higher internal rate of return than originally contemplated at the time of development agreement approval, the developer and the City shall split, on a 50/50 basis, any increase at or above 125% of the original projected rates of return.

VI. NON-PROFIT ORGANIZATIONS/TAX EXEMPT PROPERTY

The City may consider financial assistance for projects of non-profit organizations that own tax-exempt property. If TIF assistance is given, the organization’s project will need to meet the pertinent goals of the City’s applicable TIF plan and demonstrate a positive financial impact on the TIF District.

VII. APPLICATION PROCESS AND PROCEDURE

1. Application for TIF or sales tax assistance shall be made on the TIF and Sales Tax Financial Assistance Application Packet (Part 1 / Exhibit 1 and Part 2 / Exhibit 2) provided by the City. If approved by the City Council, an initial fee of five percent (5%) or $50,000, whichever is lower, of the requested TIF and / or sales tax assistance, shall accompany any incentive request. This fee shall be used to cover the City’s legal, administrative, and planning costs. Outside consultants hired by the City shall be paid for by the applicant and will not be considered a part of the fee. In addition, if an additional amount of money is required to reimburse the City for its related costs, the applicant shall be responsible for such costs. If any portion of the fee is not utilized, the City will refund the amount to the applicant.

2. In addition, as indicated in the TIF and/or sales tax assistance application, when requested by the City, 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.

3. When requested by the City, 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 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.

4. When requested by the City, the developer shall submit a complete listing (name and address) of all investors in the project. 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.

Footnotes

(1) *Public benefit* means that a proposed development will result in increased tax revenue, desired additional employment or have an identifiable effect of stimulating further and additional desired economic development which outweighs the proposed incentive to be provided by the City.

(2) *Public Infrastructure* means city owned and maintained water mains, hydrants and other necessary works and appurtenances for providing water service; sanitary sewers or other instrumentalities or appurtenances for providing sanitary sewer service; sidewalks, curbs, gutters, streets, off-street parking lots, culverts, bridges, or viaducts; drains, sewers and appurtenances for providing storm water drainage; traffic signs, signals, lights and lighting; poles, posts, wires, conduits, lamps and other appurtenances providing for street lighting; parks, parkways and recreational paths; and acquisition of any and all property, easements and rights of way which may be necessary to accommodate such improvements. Such term shall not include improvements serving a specific site, e.g., water and sanitary sewer service lines.
City of Crystal Lake

ENHANCED SALES TAX INCENTIVE PROGRAM (ESTIP)

Purpose
The Enhanced Sales Tax Incentive Program (ESTIP) has been created by the City of Crystal Lake in order to encourage recruitment, retention, establishment and/or substantial expansion of significant sales tax generating businesses within the City, thereby stimulating the economy within the City. ESTIP will further increase the sales taxes collected by the City and encourage the construction of public improvements by private owners without obligating the City to incur debt.

Eligibility
The City has established 3 different categories of applicants and eligibility criteria for each category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum Taxable Sales</th>
<th>Minimum Project Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Auto Dealerships</td>
<td>$5,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>New Auto Dealerships</td>
<td>$5,000,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>All Other New Retailers</td>
<td>$3,000,000</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

Program overview
The ESTIP provides eligible businesses with an opportunity to share enhanced sales tax revenues with the City of Crystal Lake above an established base amount. The base amount of sales taxes is determined based upon the average amount of sales taxes collected for the applicant’s business over the previous thirty-six months, or other negotiated term. In the case of a newly established business, the base amount would represent a good-faith determination by the applicant and the City as to the amount of sales taxes that would be generated from the new business. For the term of the agreement (up to 10 years), the City will share the enhanced sales tax revenues above the base amount, at a rate of up to 50 percent, for the purposes of providing the applicant with funds for public improvements to their business.

Eligible Project Costs - shall include, but is not limited to, public improvements, including, but not limited to, streets, sidewalks, curbs, gutters, pedestrian malls, street lights, drainage facilities, public utilities, landscaping, decorative structures, redevelopment of existing properties, occupancy of existing vacant space, public art, fountains, identification signs, traffic safety devices, bicycle paths, off-street parking facilities, benches, restrooms, information booths, public meeting facilities, principal buildings, building additions, and all necessary, incidental, building facades, architectural enhancements, and appurtenant structures and improvements, together with the relocation and improvement of existing utility lines, and any other improvements of a similar nature which are specifically approved by the City Council.

New Retailers - new sales tax generating businesses, other than Existing Auto Dealerships and New Auto Dealerships, which have no physical facility within the City limits of Crystal Lake for
the display and sale of merchandise as of the date of the adoption of this Ordinance and which commence the sale and display of merchandise from a physical location within the City limits of the City of Crystal Lake following the adoption of this Ordinance.

Existing Auto Dealerships – new titled motor vehicle, recreational vehicle, and watercraft franchises which have a physical facility within the City limits of Crystal Lake for the display and sale of such vehicles or watercraft as of the date of the adoption of this Ordinance. Dealership ownership changes that occur without adding new franchises are considered existing auto dealerships.

New Auto Dealerships - new titled motor vehicle, recreational vehicle, and watercraft franchises which have no physical facility within the City limits of Crystal Lake for the display and sale of such vehicles or watercraft as of the date of the adoption of this Ordinance and which commence the sale and display of such vehicles or watercraft from a physical location within the City limits of Crystal Lake after the adoption of this Ordinance.

If you have any questions regarding the City's Enhanced Sales Tax Incentive Program, please contact Heather Maieritsch at (815) 356-3605 or by email at hmaieritsch@crystallake.org.
VILLAGE OF LIBERTYVILLE
SOUTH MILWAUKEE AVENUE (IL 21) BUSINESS DISTRICT NO. 1
DEVELOPMENT PLAN

Adopted: 12-09-08
Amended: 1-28-14
# TABLE OF CONTENTS/EXHIBITS

<table>
<thead>
<tr>
<th>SECTION</th>
<th>CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Introduction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. Background</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>B. Business District Act</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>C. Goals and Objectives</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>D. District Description</td>
<td>4</td>
</tr>
<tr>
<td>II</td>
<td>Redevelopment Parameters</td>
<td>5</td>
</tr>
<tr>
<td>III</td>
<td>Financial Assistance</td>
<td>7</td>
</tr>
<tr>
<td>IV</td>
<td>Establishment, Term &amp; Amendment</td>
<td>12</td>
</tr>
</tbody>
</table>

### EXHIBITS

| A       | Legal Description                      |      |
| B       | Map of District                        |      |
| C       | Taxpayers of Record                    |      |
I. INTRODUCTION

A. BACKGROUND

The Village of Libertyville (the “Village”), has identified an area of the Village’s Milwaukee Avenue commercial district, located south of Condell Drive and largely consisting of automotive dealerships, which would benefit from the creation of a Business District, as provided by 65 ILCS 5/11-74.3-1 et. Seq. (the “Business District Act”). The Business District (the “District”) is legally described in Exhibit A attached hereto and made part hereof, and is depicted on the map included as Exhibit B, also made part hereof, with the label Business District No. 1.

The area proposed for the creation of the District has been known in the Chicago area as Lake County’s auto row since the early 1970’s. Although a number of dealerships have undergone renovations, most of the dealership buildings and lot configurations date to that time. Many of the dealerships are now experiencing pressure to upgrade, reconfigure and expand their facilities due to increasing competition and changes in the auto sales industry. This expansion, however, has been limited by the physical constraints of their properties which have made operations more difficult. Several dealerships have indicated to the Village that they will need to consider relocation or closure of their operations if they are unable to make necessary changes. As the dealerships all benefit from the clustering of similar businesses (agglomeration effect), a loss of any large dealership would be damaging to the whole, and would similarly be damaging to the Village’s sales tax revenues.

This area of the Village is primarily composed of retail businesses, a crucial sector of the community which helps support Village services. Approximately 18% of the Village’s annual general revenues, or $4.3 million, are derived from auto related sales tax receipts. These revenues represent 61% of total sales tax receipts. In recent years, the top dealership alone has contributed $1 million - $1.5 million annually. Automobile sales have been declining for the last few years, resulting in reduced revenues.

Economic Development, including business retention and expansion within the South Milwaukee Avenue corridor, is a key objective of the Village, as reflected by the following:

- As part of the adoption of the FY 2008-09 Village budget, the Village Board adopted goals for the Community Development Department which included business retention.
- The Village’s Comprehensive Plan (adopted, 2005) establishes a goal to “Improve the appearance of existing business areas”. Furthermore, the Village has also identified a policy of utilizing assistance programs to assist owners in making upgrades and expansions.
• The importance of the South Milwaukee Avenue commercial corridor is evident by its emphasis in the Comprehensive Plan. The Plan acknowledges that "given the importance of the sales tax base to the Village, the Village’s policy should be directed toward accommodating needed expansion and improvement of these [car dealerships] facilities."

• The 2004 report by S.B. Freidman & Company, entitled Economic Development Strategy – Issues and Opportunities, identifies the need for the Village to consider methods to retain its auto dealers and attract new business and economic land uses.

It is well established that communities utilize economic development initiatives to encourage a vibrant and diversified tax base, high employment, minimal vacancies, and an assorted selection of retailers and service providers to serve their residents and businesses.

The adoption of the South Milwaukee Avenue (IL 21) Business District No. 1 Development Plan (the "Plan"), is a proactive initiative taken by the Village to achieve these goals. Through the implementation of this Plan, the Village will attempt to balance Village objectives with market demands.

B. THE BUSINESS DISTRICT ACT

The Illinois Business District Act authorizes Illinois municipalities to identify a specific area as a Business District, provided that certain conditions are met and that the district is in conformance with a plan officially approved by the corporate authorities of the municipality following public hearings. The Act specifically grants to municipalities the following powers in furtherance of the plan:

1. To approve all development and redevelopment proposals for a Business District.

2. To exercise the use of eminent domain for the acquisition of real and personal property for the purpose of a development or redevelopment project.

3. To acquire, manage, convey or otherwise dispose of real and personal property according to the provisions of a development or development plan.

4. To apply for and accept capital grants and loans from the United States and the State of Illinois, or any instrumentality of the United States or the State, for Business District development and redevelopment.

5. To borrow funds as may be deemed necessary for the purpose of Business District development and redevelopment, and in this connection issue such obligations or revenue bonds as it shall be deemed necessary, subject to applicable statutory limitations.
6. To enter into contracts with any public or private agency or person.
7. To sell, lease, trade or improve real property in connection with Business
   District development and redevelopment plans.
8. To employ all such persons as may be necessary for the planning,
   administration and implementation of Business District plans.
9. To expend such public funds as may be necessary for the planning, execution
   and implementation of the Business District plans.
10. To establish by ordinance or resolution procedures for the planning, execution
    and implementation of Business District plans.
11. To create a Business District Development and Redevelopment
    Commission to act as agent for the municipality for the purposes of
    Business District development and redevelopment.
12. To impose a retailers’ occupation tax and a service occupation tax [sales
    tax] in the Business District for the planning, execution, and implementation
    of Business District plans and to pay for Business District project costs as
    set forth in the Business District plan approved by the municipality.
13. To impose a hotel operators’ occupation tax in the Business District for the
    planning, execution, and implementation of Business District plans and to
    pay for the Business District project costs as set forth in the Business
    District plan approved by the municipality.
14. To issue obligations in one or more series bearing interest at rates
determined by the corporate authorities of the municipality by ordinance and
secured by the Business District tax allocation fund set forth in Section 11-74.3-6
[65 ILCS 5/11-74.3-6] for the Business District to provide for the payment of Business District project costs.

C. GOALS AND OBJECTIVES

In accordance with the Business District Act, the Village hereby establishes the
following goals and objectives for the District:

- Facilitate the implementation of economic development and redevelopment
  strategies beneficial to the Village, its residents, and businesses.
- Maintain and strengthen the Village's property and sales tax base.
- Further the redevelopment of vacant or underutilized properties and buildings.
- Create and retain jobs.
- Provide a diverse business base with an array of retailers, service providers, and industries.
• Encourage coordinated redevelopment, providing for appropriate uses, safe access, and quality architecture, site design and streetscaping in furtherance of the Village’s Comprehensive Plan.

The following objectives are identified in an effort to accomplish these goals:

• Stabilize retail operations to limit business closures or relocation of businesses outside Village limits.
• Attract new businesses.
• Promote and facilitate expansion of successful businesses.
• Assist in limiting the financial hardship to acquiring property on Milwaukee Avenue (especially difficult for large lot consolidation) by offsetting qualified redevelopment costs for large retailers.
• Allow for consolidation or replatting of parcels to accommodate site needs of auto dealers and large retailers.
• Encourage completion of upgrades to building facades, signage, lighting, parking and landscaping.
• Encourage shared parking and access, facilitating related agreements, where possible.

D. DISTRICT DESCRIPTION

The Business District roughly includes those lots immediately abutting the east and west sides of Milwaukee Avenue, bordered to the north by Condell Hospital and Valley Park Drive, and to the south by Green Tree Parkway/Red Top Drive. These properties are legally described in Attachment A and are depicted in Attachment B as District No. 1. Taxpayers of Record, Property Index Numbers (PINs) and common addresses for these properties are included in Attachment C. Only those properties which would be substantially benefitted by this Plan have been identified for inclusion.
II. REDEVELOPMENT PARAMETERS

In order to perpetuate the Village's policy of prudent use of public resources, the Village shall thoroughly review each request for incentives and the Village Board of Trustees shall only approve such incentives through use of Development Agreements with all parties requesting such incentives. All development projects shall conform to the guidelines outlined below and projects shall be of the type described below. Any party seeking incentives shall provide all documentation deemed necessary by the Village to determine eligibility and need, and establish terms for the incentives. All projects must comply with the provisions of the Village Municipal Code and follow Village procedures, unless a variation is otherwise granted. All projects must advance the Village's goal of improving the economic and tax base of the Village.

A. GUIDELINES

To properly guide development within the District, all projects shall follow the following policy guidelines:

- Promote the public interest.
- Advance the economic well-being of the Village through new retail development or redevelopment or expansion, and retention of existing commercial businesses, all which help to ensure sound and stable commercial growth.
- Enhance the tax base of the Business District.
- Promote the social welfare of the Village through job creation or retention.
- Conformance with this Plan, as well as the Village's Comprehensive Plan.
- Exercise cost efficiency and economies of scale in development through coordinated development, including property acquisition and consolidation, where possible.
- Evident economic feasibility. The Village shall be provided proof of such and shall have the sole discretion to determine need for assistance based on such.
- Provide public and private infrastructure which enhances the District, thus encouraging patronage and additional redevelopment.
- Supply safe and efficient vehicular and pedestrian circulation, sufficient parking for customer and stored vehicles, all within an attractive environment.
- Design structural improvements in a fashion which enhance the appearance of the District and substantially conforms with the Village Code and recommendations of the Architectural Review Committee.
• If notification of an outstanding violation of Village Code has been received, the violation must be corrected prior to issuance of financial assistance.
• Projects must be completed in a prudent, timely and fiscally responsible manner.

B. PROJECTS

The creation of the District is intended to allow the Village the ability to enter into agreements with developers, property owners, or other private interests in order to provide assistance in making improvements which will enhance the District and improve the ability of the businesses to operate. While potential projects are listed below, through Development Agreements, the Village may authorize additional projects provided they otherwise comply with the Plan. General site maintenance costs are not eligible for incentives.

• Property acquisition.
• Building construction or expansion.
• Construction of new pavement.
• New signage (preference shall be given to monument versus pole signs).
• Landscape improvements.
• Improvement of public utilities, including burial of utility lines.

At the time of drafting of the Plan, several businesses indicated interest in incentives for expansion of vehicle dealership showrooms, improvement of property for additional vehicle storage, and acquisition of property for construction of expanded facilities.
III. FINANCIAL ASSISTANCE

A. TERMS

It has been determined that projects within the Business District may require municipal incentives due to hardships created by existing market conditions and local development costs, the size and configuration of parcels, and certain site characteristics. Without such incentives, it is anticipated that certain costs of public and site improvements and/or land assemblage may make private development, redevelopment, or expansion infeasible. This can, in turn, result in a downturn of tax revenues which could negatively impact the nature and quality of public services rendered by the Village to its residents. As such, public financial incentives may be necessary to off-set such costs to ensure that development occurs which is in furtherance of the public interest. Projects shall be designed to enhance the business base and increase sales tax revenues paid to the Village.

Any party desiring to participate in the Plan shall submit an application to the Director of Community Development. The application shall identify the name of the applicant and a description of the project for which the applicant is seeking incentives along with projected costs of the project and the proposed timeline for completion of the project. The applicant shall also submit evidence of ability to complete the project, description/analysis of the benefit of the project to the community, a description of additional projects anticipated over the following 10 year period, and historical and anticipated revenue and tax generation figures.

The applicant shall also submit such plans, drawings or renderings as may be required by the Director of Community Development in order to allow the Village Board to analyze the development project and determine whether it will authorize the issuance of incentives in connection with the development project. Following review of the development project, the Village Board of Trustees shall determine the extent of incentives, if any, that it will approve in connection with the development project.

The following outlines certain steps and criteria that the Village Board may consider in reviewing a development project and determining if the project will qualify for incentives. The Village Board may modify these steps at any time in order to ensure that the issuance of incentives in connection with a development project is in furtherance of the public interest:

1. The Developer or private entity presents a request for incentives for a specific development/redevelopment/expansion project along with the documents outlined above.

2. The Village will review the request and development proposal to determine feasibility and benefit to community.
3. After the initial review of the development project by Village Staff, Staff shall request and receive additional information from the Developer for further analysis, including a detailed history of sales taxes paid to the Village of Libertyville in connection with the business taking place on the property over the thirty-six (36) month period preceding the filing of the application for incentives.

4. Following its receipt and review of all materials submitted by the Developer, Village Staff shall provide to the Mayor and Village Board a summary of the proposed development and its recommendation as whether the development project is likely to provide a public benefit which would warrant the use of public funds through the granting of incentives.

5. The Mayor and Village Board shall review the report prepared by Village Staff and the documents submitted by the developer and shall consider the following:
   a) Does the project assist in achieving the goal of increasing the economic base of the Village and likely generating increased sale tax revenues for the Village;
   b) Is the project consistent with the Comprehensive Plan of the Village and other goals announced by the Village;
   c) Does the project provide sufficient benefit to the Village to justify the expenditure of public funds;
   d) Such other factors as the Village Board may deem prudent and appropriate.

6. If a majority of the Mayor and Village Board determine that the proposed development meets each of the criteria identified above, the Village Board shall direct the Village Attorney to prepare a Development Agreement for consideration by the Village Board of Trustees. Negotiations related to such Development Agreement will be conducted by Village Staff.

7. The Development Agreement, along with Staff recommendation, shall be presented to the Village Board of Trustees for review and approval. If approved by the Village Board, this Development Agreement shall be recorded against the property.

*Procedural steps may be consolidated as determined appropriate by Staff. The zoning and development approval process may occur concurrently with the outlined incentive process, however final zoning and development consideration by the Village Board must occur prior to final Development Agreement approval relating to the incentives.
B. ELIGIBILITY & CALCULATION OF INCENTIVES

While specific terms and incentives will be negotiated on an individual basis through separate Development Agreements, the following criteria shall be utilized by the Village as a guideline for determining the incentive, if any, to be paid to the applicant. The Village reserves the right to modify the terms or guidelines set forth herein.

Although the Village will not be rebating sales taxes to applicants, the economic incentives which will be available to applicants will be determined, in part, based upon tax revenues generated by an applicant which exceed a threshold amount as described below. Only those sales tax revenues received by the Village are to be considered in the calculation set forth below. At the time of the adoption of this Plan the State of Illinois was collecting a 7% composite sales tax rate in the Village, which incorporates a 1% Village sales tax. Should the State amend its collection formula, the Village reserves the right to adjust how incentive payments are disbursed.

- **Threshold Amount/New Sales Tax:** To the extent that incentives are based upon tax revenues, the incentives shall be determined based upon New Sales Tax. For purposes of this plan, New Sales Tax shall be those sales tax receipts received by the Village in a calendar year which exceed the Threshold Amount. For purposes of the Plan, the Threshold Amount shall be an average of the annual tax receipts paid to the Village over a period of three consecutive calendar years. The three calendar years considered for purposes of determining the Threshold Amount shall be either: 1) the calendar year in which the applicant submits its application and the two immediately preceding calendar years; or 2) the three calendar years immediately preceding the calendar year in which the applicant submits its application. The determination as to which method shall be applied for calculating the Threshold Amount shall be within the sole discretion of the Village Board. For businesses which have not existed within the Village for a period of at least three years, the Threshold Amount shall be determined by the Village Board. The Village may rely upon materials submitted by the applicant and Village Staff including, but not limited to the following, profit/sales tax reports from previous locations where the applicant operated the business or such reports for similar operations elsewhere in comparable communities.
  *(Amended, Ord. No. 14-O-05, 01/28/14)*

- **Duration of Development Agreement/Incentives:** 10 years with a possibility of one five (5) year extension if determined appropriate by the Village Board.

- **Minimum Improvement:** A minimum of 25% of the total improvement project cost must be dedicated to exterior or site improvements including, but not limited to: new buildings or additions, exterior upgrades, signage, lighting, paving, and landscaping. The value of such exterior improvements may not be less than $25,000. Total incentive payments made to an applicant over the full term of a Development Agreement shall not exceed 50% of the total value of improvements contemplated for the project.
• **Incentive Rate:** The Village Board shall determine the amount of incentive paid by the Village to an applicant based upon New Sales Tax paid to the Village during each year that the Development Agreement with the applicant is in effect. In no event, however, may the total incentives paid to an applicant over the full term of a Development Agreement exceed the Maximum Percentage of New Sales Tax (defined below). The percentage of New Sales Tax paid to an applicant in any year may be adjusted by the Village Board based upon a tiered rate structure which will allow for a higher percentage being paid in the earlier years of a Development Agreement. If a tiered structure is utilized, then prior to the final disbursement of incentive payments, the Village shall calculate the total of incentive payments to date to verify that the amounts paid plus the final incentive payment do not exceed the Maximum Percentage of New Sales Tax calculated over the full term of the Development Agreement. In the event that the calculation discloses that the final incentive payment will result in cumulative payments in excess of the Maximum Percentage of New Sales Tax, the final incentive payment shall be reduced so as not to exceed said percentage. In the event that the calculation reveals that prior to the final incentive payment the cumulative payments made to date have exceeded the Maximum Percentage of New Sales Tax, no final incentive payment shall be made and the applicant shall remit to the Village payment for any amounts previously paid to the applicant which are in excess of said percentage. The Village Board may require such security from an applicant as it may deem appropriate to secure repayment to the Village of any incentive payments which had previously been made in excess of the Maximum Percentage of New Sales Tax. The Village Board, at all times, shall reserve the right to modify an incentive plan which is based upon a tiered structure, if, in the judgment of the Village Board, it appears that the tiered structure is likely to result in total incentive payments over the term of the Development Agreement exceeding the Maximum Percentage of New Sales Tax.

• **Maximum Percentage of New Sales Tax:** The following Maximum Percentages shall be applied:

<table>
<thead>
<tr>
<th>Threshold Amount</th>
<th>Maximum Percentage of New Sales Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50,000 - $499,999</td>
<td>40%</td>
</tr>
<tr>
<td>$500,000 - $1 million plus</td>
<td>60%</td>
</tr>
</tbody>
</table>

The amended Maximum Percentage of New Sales Tax amounts, as set forth in this Ordinance shall apply to payments made after the effective date of the amendment and shall not be retroactive to previous payments made.

*(Amended, Ord. No. 14-O-05, 01/28/14)*

• **Retroactivity:** Businesses within the District may request, and the Village, in its sole discretion, may agree to enter into a Development Agreement based upon expenditures for previously completed projects. Projects must have been completed either during the term of the Plan or within no more than three (3) years prior to the establishment of the District.
B. SOURCE OF FUNDS

Funds shall be distributed according to the terms of this Plan and any approved Development Agreement(s). The funds shall be paid from the Village's general revenues. Timing of payments shall be described in a Development Agreement.
IV. ESTABLISHMENT, TERM & AMENDMENT

The Business District shall become established upon adoption of an ordinance by the Village Board of Trustees which adopts this Plan and designated the District. Development Agreements may thereafter be approved between the Village and any developer or private party, provided they are consistent with the terms of the Plan and Business District Act. The Plan may be amended from time to time by the Village’s Board of Trustees through adoption of an ordinance providing for such.
A. LEGAL DESCRIPTION

That part of Sections 21 and 28 of Township 44 North, Range 11 East of the Third Principal Meridian, described as follows: Commencing at the northeast corner of Lot 1 in the Libertyville Bank and Trust Subdivision, recorded on September 19, 2001 as Document # 4764364, thence 144.40 feet, S10°01'15"E; thence 340.01 feet, S79°58'55"W to a point on the east limit of the Milwaukee Avenue right of way; thence 144.40 feet, N10°01'06"W; thence 10.0 feet, S79°58'55"W; thence 627.26 feet, N9°59'19"W; thence 5.0 feet, N80°00'41"E; thence 57.88 feet, N09°59'19"W; thence 675.25 feet, S 80°00'45"W; thence 435.14 feet, N10°59'49"W; thence 254.0 feet, S84°24'09"E; thence 191.0 feet, N05°35'51"E; thence 178.69 feet, S84°24'09"E; thence 123.3 feet, N80°04'45"E; thence 214.0 feet, N09°59'15"W; thence 770.8 feet, N84°16'54"W; thence 369.3 feet, N06°18'09"E; thence 134.2 feet, N83°41'51"W; thence 619.34, N09°03'23"W; thence 94.32 feet, S82°55'08"E; thence 319.0 feet, N06°39'45"E; thence 282.98 feet, S82°16'25"E; thence 204.09 feet, N06°39'45"E; thence 356.89 feet, S82°16'25"E; thence 79.49 feet, N03°37'35"W; thence 107.78 feet, N14°55'15"W; thence 16.19 feet, N41°47'19"E; thence 348.1 feet, S87°12'48"E; thence 343.15 feet, S10°49'11"E; thence 315.7 feet, S83°51'23"E; thence 367.96 feet, S5°57'20"W; thence 629.7 feet, S9°59'37"E; thence 23 feet, Nn84°26'W; thence 1606.57 feet, S10°00'09"E to the southeast corner of Lot 4 in the Red Top Subdivision #3; thence 184.23 feet, S79°58'55"W to the point of beginning, all within the County of Lake, Illinois. (Approx. 71.44 Ac.)
EXHIBITS

B. MAP OF DISTRICT

LIBERTYVILLE - BUSINESS DISTRICTS
## EXHIBITS

### C. TAXPAYERS OF RECORD

<table>
<thead>
<tr>
<th>PIN</th>
<th>COMMON ADDRESS</th>
<th>TAXPAYER NAME/ADDRESS</th>
</tr>
</thead>
</table>
| 11-21-415-033 | 1001 S Milwaukee Av  | CESM, LLC  
d/b/a Libertyville Chevrolet  
1001 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-21-415-029 | 915 S Milwaukee Av   | 921 Milwaukee L.P.  
d/b/a Enterprise Rent-A-Car  
920 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-21-400-016 | 921 S Milwaukee Av   | 921 Milwaukee L.P.  
d/b/a Liberty Cycle Warehouse  
920 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-21-415-003 | 941 S Milwaukee Av   | Ford Leasing C/l Lvile Lm  
d/b/a Libertyville Lincoln Mercury  
941 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-21-415-030 | 0 Golf Rd            | Edward G. Matthews, Jr. Living Trust  
P.O. Box 850  
Walker, MN 56484 |
| 11-21-415-031 | 0 Golf Rd            | Village Motors LLC  
d/b/a Libertyville Toyota Scion  
1180 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-28-201-053 | 1111 S Milwaukee Av  | The Pauly Family, LP  
d/b/a Pauly Honda  
1111 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-28-201-048 | 1119 S Milwaukee Av  | Robert Rohrman  
d/b/a Libertyville Mitsubishi  
1119 S Milwaukee Av  
Libertyville, IL 60048 |
<table>
<thead>
<tr>
<th>PIN</th>
<th>COMMON ADDRESS</th>
<th>TAXPAYER NAME/ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-28-201-057</td>
<td>0 S Milwaukee Av</td>
<td>Robert Rohrman&lt;br&gt;d/b/a Libertyville Mitsubishi&lt;br&gt;1119 S Milwaukee Av&lt;br&gt;Libertyville, IL  60048</td>
</tr>
<tr>
<td>11-28-201-058</td>
<td>1121 S Milwaukee Av</td>
<td>Mc Lib, LLC&lt;br&gt;d/b/a Fields Infiniti Volvo&lt;br&gt;27200 Rancho San Carlos Rd&lt;br&gt;Carmel, CA  93923</td>
</tr>
<tr>
<td>11-28-201-055</td>
<td>1121 S Milwaukee Av</td>
<td>Mc Lib, LLC&lt;br&gt;d/b/a Fields Infiniti Volvo&lt;br&gt;27200 Rancho San Carlos Rd&lt;br&gt;Carmel, CA  93923</td>
</tr>
<tr>
<td>11-21-400-018</td>
<td>0 S Milwaukee Av</td>
<td>Liberty Mill Plaza&lt;br&gt;d/b/a Liberty Auto Plaza&lt;br&gt;920 S Milwaukee Av&lt;br&gt;Libertyville, IL  60048</td>
</tr>
<tr>
<td>11-21-416-041</td>
<td>904 S Milwaukee Av</td>
<td>Liberty Mill Plaza&lt;br&gt;d/b/a Liberty Auto Plaza&lt;br&gt;920 S Milwaukee Av&lt;br&gt;Libertyville, IL  60048</td>
</tr>
<tr>
<td>11-21-416-042</td>
<td>1050 S Milwaukee Av</td>
<td>Chicago Title Land Trust Co&lt;br&gt;d/b/a Weil Cadillac Hummer&lt;br&gt;171 N. Clark St, LL&lt;br&gt;Chicago, IL  60601</td>
</tr>
<tr>
<td>11-28-202-069</td>
<td>1010 S Milwaukee Av</td>
<td>Ford Leasing Development Company&lt;br&gt;d/b/a Napleton Ford&lt;br&gt;1010 S Milwaukee Av&lt;br&gt;Libertyville, IL  60048</td>
</tr>
<tr>
<td>11-28-202-173</td>
<td>1120 S Milwaukee Av</td>
<td>Trust Number 07-10971&lt;br&gt;d/b/a Libertyville Pontiac, Buick, GMC&lt;br&gt;150 N Wacker Dr, Ste 1650&lt;br&gt;Chicago, IL  60606</td>
</tr>
<tr>
<td>PIN</td>
<td>COMMON ADDRESS</td>
<td>TAXPAYER NAME/ADDRESS</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 11-28-202-160 | 1160 S Milwaukee Av | Robert V Rohrman  
d/b/a Saturn of Libertyville  
1160 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-28-202-163 | 1163 S Milwaukee Av | Village Motors Inc  
d/b/a Libertyville Toyota Scion  
1180 S Milwaukee Av  
Libertyville, IL 60048 |
| 11-28-210-005 | 1180 S Milwaukee Av | Village Motors, LLC  
d/b/a Libertyville Toyota Scion  
1180 S Milwaukee Av  
Libertyville, IL 60048 |