

RESOLUTION NO. 811-15

**A RESOLUTION ADOPTING AN ECONOMIC
DEVELOPMENT ASSISTANCE POLICY**

WHEREAS, in order to establish a uniform and coordinated approach to economic development activities and financial assistance, the corporate authorities of the Village of Itasca wish to adopt an economic development assistance policy.

NOW, THEREFORE, BE IT RESOLVED by the President and the Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: The corporate authorities of the Village of Itasca hereby approve and adopt the Economic Development Assistance Policy, attached hereto as Exhibit A and incorporated herein by reference.

SECTION TWO: SEVERABILITY. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION THREE: REPEAL OF PRIOR RESOLUTIONS. All prior Resolutions and Ordinances in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION FOUR: EFFECTIVE DATE. This Resolution shall be in effect immediately from and after its passage and approval.

AYES: Trustees Hower, Leahy, Aiani, Madaras, Latoria and Santorsola

NAYS: None

ABSENT: None

ABSTAIN: None

APPROVED and ADOPTED by the Village President and Board of Trustees of the

Village of Itasca this 18th day of August, 2015.



ATTEST:

Melody J. Craven
Village Clerk Melody J. Craven

APPROVED:

Jeffery J. Pruyn
Village President Jeffery J. Pruyn

Village of Itasca
Economic Development Assistance Policy
Adopted August 18, 2015 by Resolution # 811-15

1.0 Purpose

The Village of Itasca has determined that on a case-by case basis, it may wish to provide economic assistance to developers, businesses, and industries locating, expanding or remaining in the Village. The development and adoption of a formal economic development assistance policy will ensure a uniform and coordinated approach to economic development activities and financial assistance.

The purpose of this policy is to establish the official policies and procedures for the consideration and granting of economic development assistance to private parties, in order to ensure the appropriate use of public money. These policies and procedures shall also be used as a guide for the orderly review and disposition of requests for financial assistance or incentives by private parties. This policy does not apply to assistance provided to other government agencies and community not-for-profits.

From time to time, the Village of Itasca will utilize the services of attorneys, engineers, financial advisors and other consultants to assist with the evaluation and review of requests for assistance. Depending on the scope and scale of the project or request for assistance, the developer/company may be asked to pay for the Village's consultant expenses.

2.0 Goals

The goals of the Village of Itasca's economic development assistance policy are:

- A. To ensure the long-term well-being of Itasca residents and the community by expanding and diversifying the Village's economy.
- B. To build a strong and diverse tax base for the Village and other affected taxing districts.
- C. To create employment opportunities by retaining and expanding the existing business base and attracting new businesses to the Village.
- D. To sustain orderly growth and development in and around Itasca.
- E. To ensure that necessary infrastructure improvements are made to attract business investment.
- F. To strengthen the ability of older commercial and industrial areas to support and retain existing and expanded business activity.
- G. To reduce or remove blighted conditions or conditions that may lead to blight.
- H. To foster the successful development of vacant and underutilized land.

3.0 Forms of Economic Development Assistance Available

For certain projects/developments, the Village of Itasca may use the following forms of economic development assistance available to it as a non-home rule community under the Illinois Constitution and in conformance with state statutes. Not all incentives are available for each project, and projects may be offered more than one incentive. The type and amount of incentives granted is at the sole discretion of the Village.

- A. Property tax abatement of the Village's portion of the property tax.
- B. Sharing the Village's portion of the sales taxes generated by the property/project/business.
- C. Reduced Village fees (such as building permit, business license, tap on fees, etc.).
- D. Construction of public improvements.
- E. Tax Increment Financing (TIF), as authorized by state statutes.
- F. Business Districts, as authorized by state statutes.
- G. Reduced land costs on the purchase or lease of land owned by the Village.
- H. Special service areas (SSAs). The Village currently has several SSA's and is open to discussing the creation of additional SSA's, should the majority of property owners and/or electors be agreeable.

To date, the Village has not entered into loan agreements or issued debt for economic development assistance purposes. The Village shall first consider "Pay-as-you-go" forms of assistance. Only in unique cases where the merits of the project warrant it, will the Village utilize loan agreements or debt issuance.

4.0 Application Procedures

To request economic development assistance, the developer/company and Village will use the following procedures:

- A. Pre-meeting. Interested parties will meet with appropriate Village staff to discuss the scope of the project, amount and type of incentive funds to be requested, timetable, and other pertinent project information. At the next meeting of the Village Board, staff will notify the Village Board of the informal request for assistance.

As stated in **Section 1.0 Purpose**, the Village may use consultants to assist with the evaluation or review of requests for assistance, and the developer/company may be required to pay for the Village's expenses. During the pre-meeting, staff will share and review the Consultant Services Agreement with the interested parties. The Consultant Services Agreement must be signed by the parties seeking incentive funding and submitted with the Pre-application Letter outlined below.

- B. Pre-application Letter. All parties seeking incentive funding for economic development projects must submit a detailed letter of request for review by Village staff. The letter must specifically detail the amount and type of incentive funds requested, along with scope of the project, timetable, and other pertinent project information.
- C. Initial Staff Review. The letter of request and other detailed project information will be evaluated and reviewed by Village staff and its consultants on a preliminary basis to assess project feasibility. See **Section 5.0 Evaluation Criteria**. Staff may request additional information. From time to time, the Village of Itasca will utilize the services of attorneys, engineers, financial advisors and other consultants to assist with the evaluation and review of requests for assistance. Initial Community Development Committee Review. Staff will present the formal request and initial recommendations for informal feedback by the Community Development Committee (at a separate Community Development Committee meeting or during a Village Board Committee of the Whole meeting) to understand the level of support and possible concerns. If a majority of the Village Board members are interested in pursuing economic assistance, staff and the developer/company will begin negotiations. See **Section 6.0 Economic Assistance Agreements**.
- D. Land Use Entitlements. If the proposed project plan requires Planning Commission and/or Historic Commission action, the applicant is responsible for meeting all Commission requirements and assuring compliance with all state, county, and Village ordinances, laws, regulations, and regional local plans.
- E. Village Board Approval. The Village Board will review a draft agreement to provide economic development assistance at a Committee of the Whole meeting. The Board will take formal action to authorize the final agreement at a regular Board of Trustees meeting. This action is separate and distinct from any other actions the Village Board would be required to take relative to the applicant's project. Adoption of the economic development assistance agreement does not imply nor commit the Village's consent to any other action or approvals.

5.0 Evaluation Criteria

- A. The Village of Itasca may consider the following when evaluating requests for economic development assistance, but are not limited to the following:
 - i. Fiscal solvency of the company/developer requesting incentives and the company/developer's experience.
 - ii. Whether the company/developer is a suitable development partner for the Village.
 - iii. Probability of success of project.
 - iv. Project's impact on the community, including impact on tax base, both in terms of increases in taxable value and the impact on all overlapping taxing jurisdictions, impact on existing businesses, and impact on residents.

- v. The Village's return on investment.
 - vi. The Village's risk in providing economic development assistance.
 - vii. Whether the project would proceed if the incentive is not provided.
- B. The following information may be requested by the Village in order to evaluate requests for economic development assistance, but are not be limited to the following:
- i. Financial statements that accurately represent the developer's/company's revenues, expenditures, and fund balances.
 - ii. Building and site plans.
 - iii. Copies of current property tax bill(s).
 - iv. Project pro forma, including sources of financing, uses of financing, annual cash flows, annual debt service payment and calculated rate of return.
 - v. Tax projections.
 - vi. Project schedule.
 - vii. Total development costs.
 - viii. References.
 - ix. Any other documents the Village deems relevant.

6.0 Economic Development Assistance Agreements

Based upon the findings of the evaluation of the application, when the Village Board elects to provide any form of economic development assistance, the Village Board will enter into an agreement to formally outline the terms of the assistance granted. The agreement will conform in all respects to Illinois state statutes.

Terms of the economic development assistance agreement may include, but are not limited to the following:

- A. Description of project.
- B. Description of developer's responsibilities.
- C. Description of Village's responsibilities.
- D. Construction cost estimates.
- E. Estimates of unusual or extraordinary costs.
- F. Timing and/or phasing of the project.

- G. “But for” certification that the development/project would not take place without the Village’s financial assistance and “Look Back” provisions requiring the Village to be repaid for all or a portion of the assistance if and when a project surpasses an established level of financial return.
- H. Performance requirements.
- I. Provision of affordable housing units.
- J. Development/project/site is exclusive and the only order-acceptance point for sales in Illinois.
- K. Ability to review developer’s records.
- L. Ongoing property maintenance.
- M. Site improvements.
- N. Use of green or environmentally friendly building methods.
- O. Restrictions that developer shall not convey or assign its rights or interests under the agreement to any person or entity without the prior written consent of the Village.
- P. Payment of prevailing wage, in conformance with state statutes.
- Q. Multi-use and/or multi-phase projects will require a master development agreement.

7.0 Staffing and Contact Information

Unless otherwise assigned by the Village Administrator, the Community Development Department shall be the lead Department on all requests for economic development assistance.

Requests for economic development assistance should be forwarded to:

Community Development Director
Village of Itasca
550 W. Irving Park Road
Itasca, IL 60143
Office: 630-773-5568
Fax: 630-773-0852
www.itasca.com

Adopted:
August 18, 2015 by Resolution #811-15

Revisions:
None to date