

**VILLAGE OF WINFIELD**

**ECONOMIC DEVELOPMENT  
INCENTIVE GUIDELINES**



October 16, 2014

Village of Winfield, Illinois  
Economic Development Incentive Guidelines

**A. Introduction**

The Village of Winfield adopted the Winfield Comprehensive Plan 2014 which is designed to assist the Village reach their goals and aspirations for the future development of Winfield. The Economic Development Incentive Guidelines provide tools to be used to attract and retain high quality development that is consistent with the goals of the comprehensive plan. These guidelines are intended to provide a general framework by which incentive requests submitted to the Village can be reviewed in a consistent and objective manner.

**B. Guidelines**

The Village of Winfield's 2014 Comprehensive Plan includes a goal of securing new development that generates greater revenue than costs, attracts dollars from outside the community, and provides residents more chances to shop in the Village.

***Type of Development:*** Provide for growth opportunities that otherwise may not be possible without the aid of incentives.

1. Attract or retain businesses for the purpose of improving the Village's economic base.
2. Attract businesses/developers to high priority redevelopment sites.
3. Improve properties that are considered undesirable or have been vacant for a long period of time.
4. Encourage development projects that enhance the streetscape and pedestrian experience and improve the vitality of the area by adding interest and activity on the first floor of mixed-use and commercial buildings.
5. Improve public infrastructure such as parking and transit facilities, streetscapes, public gathering spaces and green spaces.
6. Provide for a project that would not otherwise take place "but for" the incentive.
7. Fulfill other goals expressed within the Village's 2014 Comprehensive Plan.

***Financial Return:*** Economic incentives must provide a distinct financial return to the Village.

1. Projects must provide a demonstrable return to the Village for the future investment of incremental tax revenue from all sources.
2. For projects requesting sales or property tax rebate incentives, only those Village revenues which are directly accrued by the proposed project will be considered for use to assist the development or redevelopment activities and costs.

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3. Projects involving the relocation of an existing activity from one location to another within the boundaries of the Village or involve the redevelopment of an existing activity shall have the incremental revenue generation amount based upon the amount in excess of the revenue previously accruing to the Village at the existing location.
4. Incentive agreements shall contain a look-back provision providing a mechanism for the Village to split any increase at or above a specified threshold of the original projected rate of return.

***Incentive Limitations:*** Economic incentive agreements should be of an appropriate amount and extend over an appropriate amount of time as related to the proposed project.

1. No more than 25% of the total project cost shall be supported by incentive revenues. Total project cost is defined as the cost of 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.
2. Financial assistance shall not exceed 50% of the incremental village revenue to be generated by retail commercial uses and will be limited to a 10 year period. Incremental revenues are those which result from the proposed project in excess of current village revenues being generated from the project site or area.
3. Incentive agreements shall be structured to provide specific criteria to address expected financial results including revenue sharing maximums as well as threshold minimums.

***Incentive Terms and Agreement:*** Economic incentive agreements shall include performance based measurements and appropriate claw-back provisions.

1. The incentive agreement should contain a claw-back provision to the Village for reimbursement of a pro-rated share of the incentive based on specified time periods should a business associated with an incentive cease to operate during the term of the incentive or another specified period of time. Incentives are not transferrable to a third party.
2. Assistance will be provided on a pay-as-you-go method. Up-front financing requests will be considered on a case-by-case basis provided there is sufficient projected incremental revenue generation to meet initial financing and debt service costs.

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***Development Project:*** Economic incentive agreements will be considered on a project basis.

1. All project assistance from the Village will be provided based on a negotiated development project agreement between the Village and the developer to be adopted by an ordinance.
2. For multi-phase projects, or those having multiple buildings, assistance will be provided based on the overall development program and channeled through a single development agreement with the prime developer.
3. Projects will not be considered if they place an extraordinary, unmet demand on Village infrastructure or services.

***State and Federal Regulations:*** Economic incentives considered by the Village will be subject to conformity with applicable State and Federal guidelines.

1. Projects requesting Tax Increment Financing (TIF) shall be subject to the provisions of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4)
2. Sales Tax Agreements will be subject to the provision included in Illinois State Statute 65 ILCS 5/8-11-21.
3. Business Development District Agreements will be subject to the provision included in Illinois State Statute 65 ILCS 5/11-74.3.

**C. Types of Incentives**

The following incentives are available. While this list represents the more common types of incentives applied for, the Village recognizes that some projects may require more specific types of incentives that are not included on this list.

1. *Tax Increment Financing (TIF) Districts:* Illinois State Law 65 ILCS 5/11-74.4 allows the creation of TIF Districts for the purpose of funding economic development projects in blighted areas or in conservation areas. The statute defines specific criteria under which this type of assistance can be provided.
2. *Sales Tax Rebate Agreements:* Illinois State Statute 65 ILCS 5/8-11-21 allows for the use of sales tax rebates as a development incentive tool. Sales tax rebate calculations can vary by the project, but typically include the local share of the state sales tax.
3. *Business Development District (BDD):* Illinois State Statute 65 ILCS 5/11-74.3 allows for the creation of a business development district. This type of incentive provides an additional sales tax for the designated area.

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4. *Property Tax Abatement*: A municipality can abate property tax for any portion of its property taxes for certain properties.
5. *Façade Grant Assistance Program*: In accordance with Village Resolution 2012-08, the Town Center TIF District Façade, Sign and Site Improvement Program is to provide financial assistance and encourage exterior site and facility improvements that improve the character and aesthetics of the District in keeping with Town Center design guidelines. (Complete documentation on this program is available on the Village website)
6. *Fee Waivers*: Any request for waiver of fees will be reviewed on a case-by-case basis. The Village will not consider any request for waivers of impact fees.

**D. Incentive Application Process**

Applicants requesting incentives from the Village must comply with the formal application process. Applicants will be required to submit a deposit equal to \$10,000.00 or 1% of requested assistance, whichever is greater. In addition, the applicant will be assessed a non-refundable administrative fee equal to 10% of deposit. The deposit and fee are payable at the time of application and maintained in an escrow account to be used to cover the Village's cost for legal and financial consultation in reviewing the incentive request. If at any time the escrow account falls below a \$500 balance, the applicant will be required to replenish the escrow account in an amount determined appropriate for the project.

The following information must be included with the application to allow the Village a thorough review of the project, including any potential impacts of the project:

1. Project Details
  - a. Documentation of the proposal and how the request meets the evaluation criteria in this policy.
  - b. Description of the property, including area and square footage of uses by type.
  - c. Estimated number of full-time and part-time employees and wage base.
  - d. Proposed construction timeframe.
  - e. List of investors, including dollar amount if investment, in the project.
  - f. Current property appraisal provided by an independent appraiser hired by the Village and paid out of the escrow account.

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2. Financial Analysis

- a. Type and amount of incentive requested.
- b. Detailed market study and business development pro forma analysis of the project.
- c. Projected annual sales for the next ten (10) years including a breakdown between taxable and non-taxable items.
- d. Estimated construction cost and purchase price of property.
- e. Description and amount of extraordinary costs, such as environmental, related to the project.
- f. Current equalized assessed valuation of the property.
- g. Description and amount of any existing liabilities related to the project.

3. Impact on Infrastructure

- a. Estimated impact on Village existing infrastructure.
- b. Estimated utility usage.

4. Developer Credentials

- a. Proof of applicant's ability to construct, operate and maintain the proposed project based upon prior experience, general reputation and credit history.
- b. Financial guarantees to ensure project completion.
- c. Developer's audited financial statements for the last three years. If not available, three years of annual financial statements and summary schedules for other projects completed within three years.

Applicants are required to submit the original and two copies of the application and supporting documents. The Village will notify the applicant when all requested materials have been received, after which the review process can begin. All information of a detailed financial nature will be regarded as proprietary and will remain confidential.

**E. Review Criteria**

It is the intention of the Village to review requests on a case-by-case basis. These guidelines will be used as a guide in processing and reviewing applications requesting assistance. These guidelines are intended to be flexible in order to address specific circumstances and may be waived or amended by the Village Board as deemed necessary or appropriate. The following criteria will be used as a guide in processing and reviewing these requests:

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1. Financial benefit to the Village and other taxing bodies. The financial benefit analysis shall be based upon total revenue and total costs of the project, including those indirect costs incurred by the Village attributable to the project. Depending on the complexity of the project, the Village may contract with an independent third party financial consultant to review the financial impact to the Village. Any costs for consultants will be paid out of the developer's deposit account.
2. The potential to attract other development that meets the development goals of the Village.
3. Strong public benefit to the Village, such as social, economic or environmental.
4. Level of circumstances with the property characteristics that create challenges to development.
5. The impact of a proposed development on existing properties within the Village.
6. The impact of a proposed development on the existing businesses within the Village
7. Number and type of jobs created or retained.
8. Level of applicant's creditworthiness and financial strength.
9. Level of compliance with any design guidelines in the Comprehensive Plan.

**F. Summary**

While the Village wishes to encourage business development, the Village will apply caution with regards to the long-term financial implications and community impact when awarding any economic incentives.

The provision of financial assistance is at the sole discretion of the Village Board. The Village reserves the right to amend, modify, or withdraw these guidelines, revise any requirement of these guidelines, require additional statements and sworn affidavits as to the goals of these guidelines or any additional information from any applicant, to negotiate or hold discussions with any applicant who does not completely conform to the guidelines as set forth above, to waive any non conformity with these guidelines, and to waive or modify any timetables established by ordinance, resolution or motion.

Furthermore, meeting Village guidelines or other criteria does not guarantee the award of assistance. The approval or denial of one project is not intended to set a precedent for approval or denial of another projects.

Parties to any incentive agreement must abide by the Village ethics policy to help protect against issues of conflict of interest.

## Tax Increment Financing Assistance Application

Project Name \_\_\_\_\_

### Applicant Information

Company Name \_\_\_\_\_

Business Form:     \_\_\_ Corporation \_\_\_ Partnership \_\_\_ Sole Proprietorship

Years in Business: \_\_\_\_\_                      Years a Winfield Business: \_\_\_\_\_

Contact Person/Title \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Office \_\_\_\_\_ Alternate Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

### Project Information

Address of Proposed Project \_\_\_\_\_

Total Project Cost \$ \_\_\_\_\_ Amount of TIF Assistance Requested \$ \_\_\_\_\_

Use of TIF funds

_____ Land Acquisition	_____ Professional Services	_____ Site Improvements
_____ Infrastructure	_____ Rehabilitation/Expansion	_____ Financing Cost
_____ Other	_____ Parking Lot/Landscaping	

### Economic Development Information

Estimated Number of new jobs that will be created after the completion of the project

Full- Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_

Type of jobs: \_\_\_\_\_ Range of Compensation \_\_\_\_\_

Estimated Number of jobs retained after completion of the project

Full- Time: \_\_\_\_\_ Part-Time: \_\_\_\_\_

Current annual gross sales: \$ \_\_\_\_\_ Estimated annual gross sales: \$ \_\_\_\_\_

Current annual taxable sales: \$ \_\_\_\_\_ Estimated annual taxable sales: \$ \_\_\_\_\_

Most recent equalized assessed valuation (EAV) \$ \_\_\_\_\_

EAV after redevelopment \$ \_\_\_\_\_



## Project Costs

	Amount (\$)	Source of Funds
Purchase of Land		
Demolition Cost		
Site Improvements		
Purchase of Existing Facilities		
Construction of New Building (s)		
Renovation of Existing Structure		
Cost of Installation of Machinery & Equipment		
Architectural & Engineering Fees		
Legal & Other Professional Fees		
Contingency		
Working Capital		
Other (please specify)		
<b>Total Project Costs</b>		

## Financing

Source	Amount	Terms Year/Int.	Contact Information
TIF			
Equity			
Loans from other sources(i.e. lending institutions)			
1.			
2.			
3.			
4.			
<b>Total Project Cost</b>			

**Please include a narrative that will address the following**

1. Description of Business/Company
2. Project Description
  - a.) construction information that may include the number of square feet to be demolished and constructed, the number and square footage of units, parking, and the number of construction phases;
  - b.) evaluation of site or other constraints;
  - c.) benefit or service to the community;
3. A request for the Village's assistance with the project that specifies the type(s) of assistance needed and why it is needed.
4. Construction start date and timeline for Project Completion.
5. Applicant may need to also submit any additional information such as site plans, environmental studies, marketing studies, business plans, engineering or architectural drawings to be included for review and consideration.

**Certification by Applicant**

The applicant certifies that it will comply with all the rules, regulations and ordinances of the Village of Winfield. Applicant hereby certifies that all information contained above and in exhibits attached hereto is true to his/her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the Village of Winfield, Illinois. Additional cost, above the amount of deposit, incurred by the Village for outside professional review or expertise will be the responsibility of the applicant.

Applicant \_\_\_\_\_

Contact Name/Title \_\_\_\_\_

Phone \_\_\_\_\_

Date \_\_\_\_\_

Return application to:

Village of Winfield  
Community Development  
27W465 Jewell Road  
Winfield, IL 60190  
Phone (630)933-7100  
Fax (630) 665-1767  
[www.villageofwinfield.com](http://www.villageofwinfield.com)