



POLICIES & PROCEDURES RELATING TO THE USE OF BUSINESS DEVELOPMENT DISTRICT FUNDS

I. PURPOSE

- A. The purpose of this document is to provide a general guideline for the Village of La Grange Park to offer Business Development District (BDD) assistance for development activities in its Business Development Districts. None of the contents of this document are to be construed as obligating the Village to provide BDD financial assistance. Financial assistance, when granted shall be only pursuant to a written redevelopment agreement executed by the Village and the redeveloper.
- B. The Village of La Grange Park will consider using BDD funds to assist private developments to fund public improvements and other BDD qualified projects, which contribute to an expanded tax base and retail business development.
- C. These Policies and Procedures shall be used only as guidelines for making application for BDD assistance and in the processing and reviewing the applications. The Village shall have the option of amending or waiving any portion of these policies and procedures when determined necessary or appropriate. In amending or waiving any portion of these policies or procedures, the Village shall document the reason for the deviation in the applicable project's redevelopment agreement.
- D. BDD financial assistance is not a grant or a gift of money. BDD financial assistance is essentially a partial repayment to the applicant of a portion of the qualified costs expended by the applicant in furtherance of the applicant's redevelopment project.

II. DESCRIPTION OF BUSINESS DEVELOPMENT DISTRICT (BDD)

The Business Development District and Redevelopment Law, 65 ILCS 5/11-74.3-1, *et seq* (the "BDD Act") is a common economic development tool utilized by municipalities. The BDD Act allows a municipality to impose a retailers' occupation tax and a service occupation tax therein, of up to one percent to provide for the payment of business district project costs. Such financial assistance has been proven to stimulate commercial development and eliminate economic stagnation. The application of the BDD Act requires a designated area to meet the criteria of being a "blighted area" as defined by the BDD Act. Once an area is determined to meet the qualifications, it is designated as a "redevelopment project area" and the incremental sales tax revenue may be used solely for the payment of redevelopment project costs as defined and limited by the BDD Act.

III. QUALIFICATIONS FOR ECONOMIC INCENTIVES USING BUSINESS DEVELOPMENT DISTRICT

Economic Incentives to pay redevelopment project costs may be provided by the Village on a project by project basis upon demonstration of the following:

- The Project must demonstrate financial feasibility to enable the Village to recapture incentives over the life of the Project.
- The Project must be in furtherance of the approved Redevelopment Plan for the designated redevelopment project area.
- The Project must demonstrate sufficient financing to complete construction as the Village shall not provide any initial funding. Economic incentives will be provided on a “pay-as-you-go” basis from incremental revenues generated by the Project.
- Developer must have an equity investment in the Project to assure commitment to the success of the Project.
- Developer must demonstrate the experience, ability and reputation to undertake the Project.
- Developer must provide evidence of site control.

IV. ELIGIBLE REDEVELOPMENT PROJECT COSTS.

Under the BDD Act, monies in the BDD Fund may only be expended for the following 65 ILCS 5/11-74.3-1:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of a Business District Plan, and personnel and professional service costs including architectural, engineering, legal, market, financial, planning, or other professional services, provided no charges for professional services may be based on a percentage of tax revenues received by the municipality;
2. Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
3. Site preparation costs including but not limited to, clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements, and clearing and grading of land;
4. Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the Business District which are essential to the preparation of the Business District for use in accordance with the Business District Plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing buildings, improvements and fixtures within the Business District, and specifically including payments

to developers or other nongovernmental persons as reimbursement for costs incurred by such developer or nongovernmental person;

6. Costs of installation or construction within the BDD of buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the Act that accrues during the estimated period of construction of any redevelopment project for which obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

V. PRELIMINARY APPLICATION PROCESS

Application for economic assistance shall be made on the forms provided by the Village. In order for a project to be considered for BDD assistance, the following steps and are required to be followed:

1. Applicant Project must be located within the boundary of the BDD district.
2. Application should be supplemented by all pertinent documentation (i.e. number of jobs to be created/retained, total amount of investment, construction schedule, evidence of project financing, etc.) as stated in the application.
3. Completed applications will be submitted to the BDD Administrative Coordinator for review and comment. Incomplete forms will be returned to the applicant with an explanation on additional information as may be required.
4. After acceptance of the application and necessary documentation, sufficient copies of the documents shall be provided to the BDD Administrative Coordinator for distribution to a Village review team. Village staff will contact the applicant with information regarding next steps depending on the type and scope of the proposed project.

VI. PROJECT EVALUATION CRITERIA

The amount of economic assistance to be provided by the Village shall be based on the following:

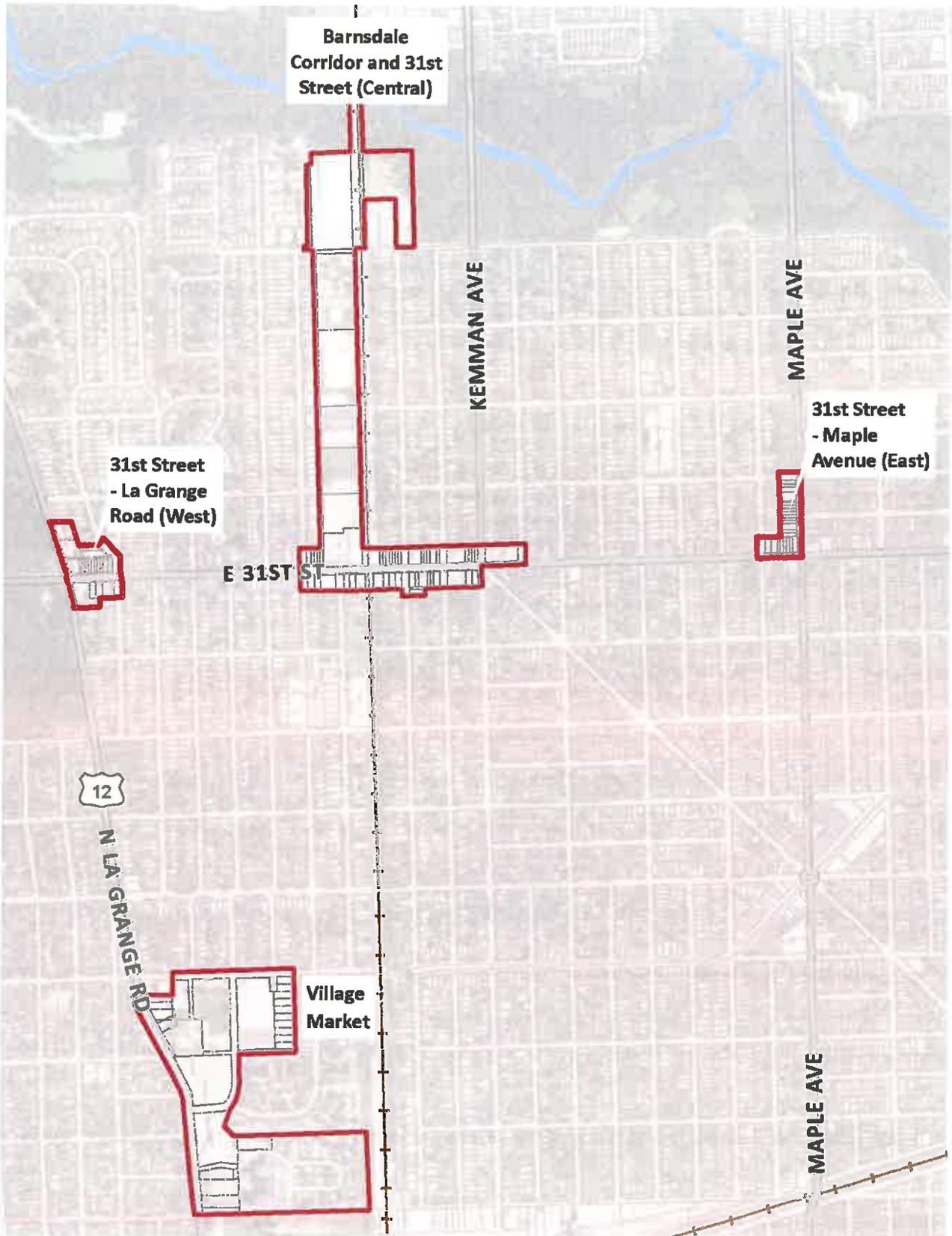
1. Projected increase in the Equalized Assessed Value for the developed property.
2. Projected increase in the Retail Sales Tax Revenue to the Village.
3. Increases or retains permanent job opportunities within the Village.

4. Meets the goals and objectives of the approved redevelopment plan for the Business District.
5. Meets the Village's Strategic Planning goals and objectives.
6. Meets a specific community benefit, need, or good which is not sufficiently provided for in the Village currently.
7. Enhances the visual and cultural character of the Village.
8. Provides potential meaningful and synergistic planning, cultural, educational or economic benefits to additional sites or enterprises within the Village.



Business Development Districts

Established July 1, 2017





**PRELIMINARY APPLICATION FOR
BUSINESS DEVELOPMENT DISTRICT INCENTIVES**

NAME OF APPLICANT(S): _____

ADDRESS: _____

CITY, STATE, ZIP: _____

EMAIL: _____ PHONE: _____

NAME OF PROPERTY OWNER (if other than applicant): _____

ADDRESS: _____

CITY, STATE, ZIP: _____

EMAIL: _____ PHONE: _____

ADDRESS OF SUBJECT PROPERTY: _____

CURRENT USE OF PROPERTY: _____

PROPOSED USE: _____

EVIDENCE OF CONTROL OF SUBJECT PROPERTY: _____

PROPOSED IMPROVEMENTS (Attach additional sheets if necessary):

ANY ZONING CHANGES REQUIRED: _____

ANY ZONING VARIANCES REQUIRED: _____

CONSTRUCTION SCHEDULE:

START DATE: _____

COMPLETION DATE: _____

TOTAL PROJECT COSTS (ESTIMATED) _____

PRELIMINARY BUDGET FOR THE PROJECT PROVIDED ATTACHED (REQUIRED):

INCENTIVE REQUEST: _____

NUMBER OF EMPLOYEES: _____

CURRENT ANNUAL SALES TAX GENERATED: _____

PROJECTED SALES TAX REVENUE (AFTER PROJECT COMMPLETION): _____

I (We) hereby affirm that all of the above statements and the statements contained in any papers or plans submitted herewith are true to the best of my (our) knowledge. I (We) hereby acknowledge my (our) obligation to reimburse the Village of La Grange Park for all necessary and reasonable expenses incurred by the Village in the review and certification of any documents submitted in conjunction with this application.

Signature of Applicant: _____ Date: _____