

RESOLUTION NO. 2019 - 3946

**A RESOLUTION AUTHORIZING APPROVAL OF AN ECONOMIC INCENTIVES
POLICY FOR THE VILLAGE OF LISLE**

WHEREAS, the Illinois Municipal Code and Illinois Constitution of 1970 authorizes municipalities to establish and provide for the administration of programs that promote economic development and stimulate business and commercial activity in the Village; and

WHEREAS, a key strategic performance area for the Village of Lisle is *Quality Economic Development*; and

WHEREAS, one of the initiatives identified as supporting this area is the development of an economic development incentive policy that is sustainable and provides sufficient economic incentive to encourage desired growth; and

WHEREAS, the Village of Lisle desires to attract and retain high-quality long-term investments, support the creation of new jobs, stimulate business and commercial activity including the redevelopment of properties in the Village; and

WHEREAS, the establishment of a policy guiding the use of economic incentives to encourage business retention and attraction in Lisle is intended to promote new development, create new jobs and enhance the Village's tax base; and

WHEREAS, the Village Board intends to provide guidance and direction to the development community as well as develop an internal framework for the evaluation of incentive requests.

BE IT RESOLVED by the Mayor and Board of Trustees of the Village of Lisle, DuPage County, Illinois as follows:

Section 1: That the forgoing recital are incorporated herein as if fully set forth.

Section 2: That the Economic Incentive Policy dated June 2019 for the Village of Lisle attached hereto as Exhibit 1, is hereby approved.

Section 3: That the invalidity of any section, part, provision, term, or phrase of this resolution shall not affect the validity of the remainder hereof.

BE IT FURTHER RESOLVED that this resolution shall be entered upon the journals of the Board of Trustees of the Village of Lisle.

PASSED AND APPROVED THIS 3rd DAY OF JUNE, 2019.



Christopher R. Pecak, Mayor

ATTEST:



Lorna Turner, Village Clerk



VOTES:

AYES: TRUSTEES SADAT, HASSE, CARBALLO, CAWIEZEL, DIXIT, WINZ AND MAYOR PECAK

NAYS: NONE

ABSENT: NONE

ABSTAIN: NONE

Schedule of Exhibits

Exhibit 1 – Economic Development Incentive Policy – June 2019



VILLAGE OF LISLE
ECONOMIC DEVELOPMENT INCENTIVE POLICY

JUNE 2019

Economic Incentive Policy

The Village of Lisle has adopted an economic incentive policy to provide guidance to the development community, and to develop an internal framework for the evaluation of requests.

The Village of Lisle uses various forms of assistance and development incentives for the purposes of attracting new business to the Village and helping existing business expand. These incentives are designed to assist the Village achieve the long-term goals of expanding the property and sales tax base, providing new employment opportunities and providing for the enhancement of the quality of life in the community, while recognizing the economic barriers that may exist for companies locating or expanding in the Village of Lisle.

It is the policy of the Village to judiciously consider the use of incentives for projects that demonstrate a sustainable public benefit in support of the goals and objectives outlined in this incentive policy.

This document outlines the criteria that will be considered when requests for incentives are reviewed.

Village of Lisle Economic Development Goals

To be considered for economic incentives, a project must demonstrate that it will achieve one or more desired public goal(s). Incentive requests will be required to include a detailed narrative identifying the specific goals that would be anticipated from the development. This would include the following:

- a. Expansion of local tax base (new or increased sales tax, property tax, utility tax, EAV, etc.)
- b. Expansion of employment base (new or increased number of jobs)
- c. Redevelopment of underutilized/antiquated/blighted land use sites
- d. Development resulting in the enhancement of public infrastructure (i.e. utility extension, utility oversizing, roadway/intersection improvements, or other desired public improvements)
- e. Synergistic development that will encourage other development
- f. Development resulting in environmental improvements
- g. Development that provides a significant amenity or enhances community image
- h. Development that will result in regional consumer attraction
- i. Retention of major business
- j. Development that attracts new/unserved consumers, without significant cannibalization of existing businesses within the Village
- k. Other public goals deemed appropriate by the Village Board

Other Considerations

- a. Are there extraordinary project costs requiring gap financing, or is an incentive needed to create feasibility?
- b. Is there appropriate risk sharing, limiting public sector risk?
- c. Is the incentive cost-effective for the Village in generating an appropriate return on investment?
- d. Is the Village competing with other communities as a location for the development?
- e. Is the development likely to occur without offering incentives?

Types of Incentives by Subareas

Potential incentives to attract or retain investment are listed in Attachment 1.

Review Standards & Process

Requests for incentives will be reviewed and evaluated by the Economic Development Commission and the Village Board. Each request will be uniquely considered with no precedence implied from past actions. Decisions are at the sole discretion of the Village Board. Conformance with the criteria established within this policy does not imply incentives will be approved.

Each submittal will be reviewed based upon the following criteria:

- a. Location of the development
- b. Type and number of jobs created
- c. Tax benefits to the Village
- d. Community benefits

Developers and businesses are strongly encouraged to discuss their project with Village staff prior to seeking approval of any incentives.

Village staff will meet with taxing jurisdictions that will be affected by incentives that would have a direct financial impact upon received or retained tax revenues.

Taxes or revenues historically received by the Village will not be reduced below the base year of any incentive, as established by the individual redevelopment plans, after an incentive is approved.

The Village will not waive permit or development contribution fees, but such fees may be considered as part of the overall development cost that may be used as basis for an economic development incentive, or if the Village determines that including the permit costs in the incentive creates a new economic benefit to the Village.

Performance Standards/Claw-Back Provisions

If an incentive request is approved, the Village Board will negotiate the terms and conditions of an agreement. These terms and conditions may include any provisions deemed to be in the best interest of the Village, and will require specific performance standards be established for each project receiving incentives.

Incentives should have a performance-based element to measure the success of an incentive. The Village will require periodic reporting evidence in compliance with the requirement of the program as measuring the economic benefit to the community.

Incentive agreements will be structured in a manner that allows the Village to be the first recipient of revenue generated by a project. Further, unless specifically identified in the incentive agreement, any included rebates will be established in such a manner that the Village receives at least one-half of the anticipated additional tax generation attributable to the project during the life of the agreement.

With property tax abatements programs, the Village recognize that its proportionate share of overall property taxes paid is relatively small and as such, if any consideration of a property tax abatement program is offered, it must be done in conjunction with any taxing bodies that would be affected by the program.

Any incentive will take into consideration the net increase in added EAV associated with the project. Projects that result in an increase in anticipated services by any affected taxing body should be carefully considered as part of any incentive.

To the greatest extent possible, any property-tax based incentives will be associated with the corresponding term in which the tax incentive is effective. The Village should avoid providing such an incentive in the form of bonds or up-front payments based upon future dollars anticipated by the project.

“Claw-back” provisions will be included in any incentive agreement if revenue or job growth does not meet estimates, or the business does not continue operation for a specified minimum period.

Potential Incentive by Subarea

Subarea	Possible Incentive tools
Retail, Commercial, Office Corridors: Ogden Ave, IL Rt. 53, Maple, and Warrenville Rd.	Property tax abatements Sales tax rebate agreements Special service areas Business district Utility extension agreements Tax increment financing
Downtown (as defined in the 2018 Downtown Lisle Master Plan)	Property tax abatements Sales tax rebate agreements Special assessments Business district Utility extension agreements Tax increment financing