



# Economic Incentive Policy

Village of Lake in the Hills

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Lake in the Hills, IL 60156

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Economic Incentive Policy

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Introduction

The Village's Comprehensive Plan puts a focus on strengthening the tax base through economic development efforts. The main goal for commercial development as stated in the Plan is "to maintain the quality of existing commercial development and expand the Village's tax base by creating new areas for retail, restaurant, and service uses, enhancing the identity of Lake in the Hills as a destination shopping area for adjacent communities". The Comprehensive Plan encourages the investigation of economic development tools such as small business assistance and tax rebates. This Economic Incentive Policy provides the tools that are necessary to carry out the objectives of the Plan and to provide for growth and opportunities that otherwise may not be possible without the aid of incentives.

Guidelines

The following guidelines should be followed in the implementation of the Policy.

1. The Village may approve incentive requests for grants, local sales tax revenue sharing, fee waivers, infrastructure improvements, property tax rebates, industrial revenue bonds and loans on a case by case basis.
2. The subject project would not move forward at the location without the incentive.
3. The decision to approve an incentive agreement must be based on sound financial information
4. A project must comply with Village Design Guidelines as set out the Comprehensive Plan.
5. The Village will not consider any requests for the waiver of the following fees or charges: recapture fees, utility fees, fees from other taxing districts, or Village consultant review fees.
6. Incentives for adult uses, home occupations, and financial institutions are not allowed.
7. The Village will review all proposals on a case by case basis and in no event will prior economic incentive agreements dictate the content of subsequent agreements.

8. The terms and conditions of the incentive shall be incorporated into an agreement approved by the Board of Trustees.
9. Certain areas within the Village will be given priority for incentives and include:

Retail

- Rt. 47 Corridor
- Rt. 31 Corridor
- Lakewood Road
- Ackman Road
- Algonquin Road
- Randall Road

Office/Industrial/Light Industrial

- Corporate Office/Light Industry Target Areas (Exhibit A)

Submittal Requirements

All applicants requesting incentives must provide 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 incentive requested.
4. Detailed business or development pro forma.
5. Proof of applicant's financial stability or business plan.

Evaluation Criteria

Each submittal shall be evaluated based upon the following criteria.

1. Revenue benefit to the Village and other taxing bodies.
2. Level of circumstances with the property characteristics that create challenges to development.
3. Number and quality of jobs produced.
4. Strong public benefit to the Village.

5. The ability of the development to spur additional economic development in the area.
6. The impact of a proposed development on the existing businesses within the Village.
7. Level of applicant's creditworthiness and financial strength.
8. Level of compliance with any Design Guidelines as described in the Comprehensive Plan.

#### Case Study- Costco

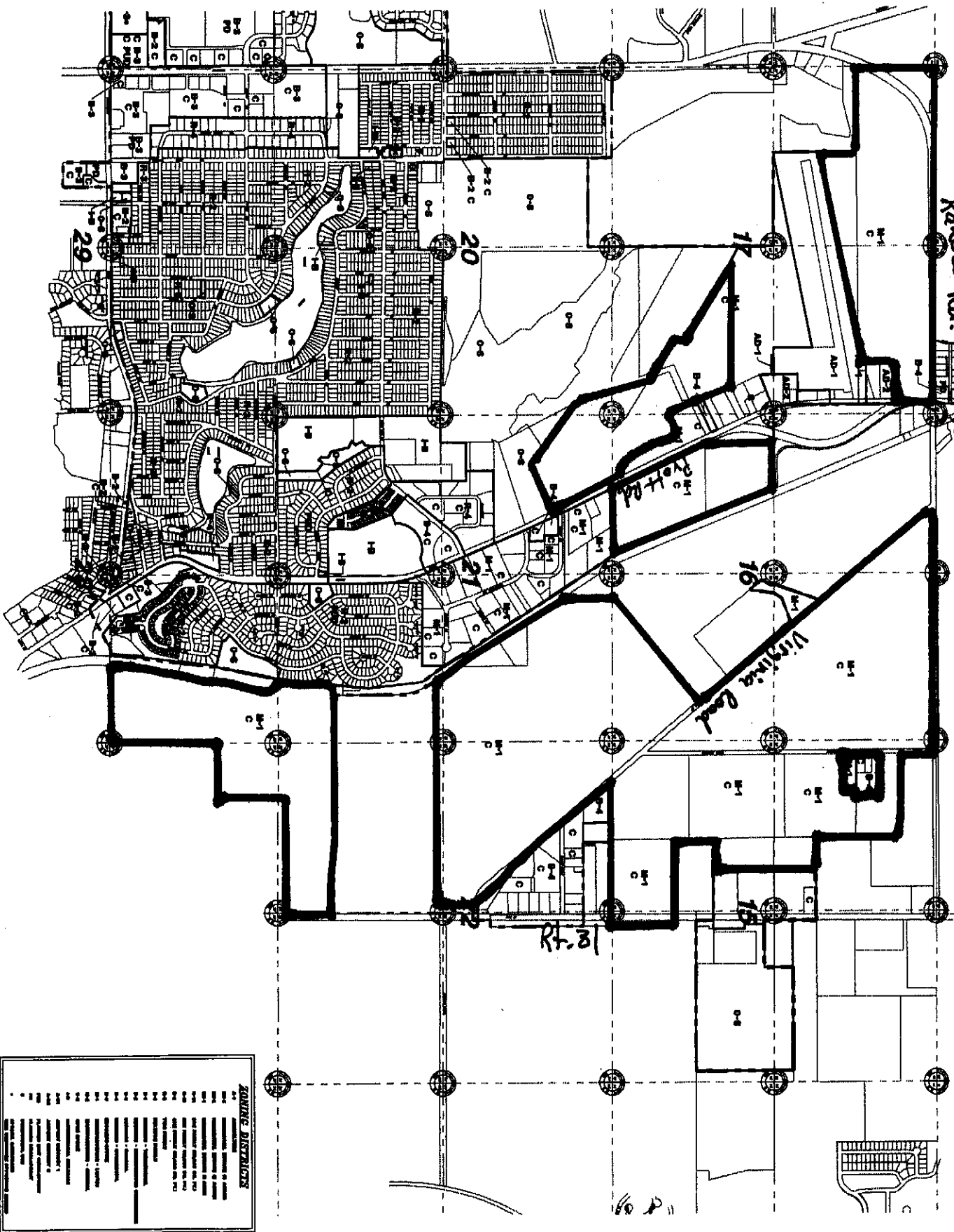
Below is a sample of a sales tax sharing agreement the Village made with a large national membership warehouse club that located in the Village. This is a good example of an incentive that offered the needed assistance of a business and at the same time provided strong revenue benefits for the Village.

In 2003, the Village Board was approached by Costco to build a 136,000 sq. ft store along the Randall Road corridor. The property they wanted to construct the building on presented many challenges, including steep slopes. The construction of the site would involve a tremendous amount of grading work and the construction of a large retaining wall in order to provide a suitable level building site. The Board reviewed a sales tax sharing request from Costco and approved an agreement based upon the amount of extra work needed for the development and the tremendous benefit that a Costco would provide the Village. An agreement between the Village and Costco was reached that would reimburse Costco 50% of the sales tax generated from the store on a quarterly basis until a total of \$1,600,000.00 was reimbursed. The length of time allowed in the agreement to reach this amount was no more than 12 years, however Costco was able to reach the \$1,600,000 amount within 4 1/2 years. Costco continues to be a major component of the Village's commercial base and is the number one sales tax producer in the Village.

Exhibit A

Corporate Office/Light Industry Target Areas

VILLAGE OF LAKE IN THE HILLS  
ZONING DISTRICT MAP



ZONING DISTRICTS	
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