



## ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

The Village of Pingree Grove uses various forms of assistance and development incentives for the purpose of attracting new businesses to the Village as well as to help existing businesses expand. These incentives are designed to help the Village achieve its long-term goals expressed in the Comprehensive Plan and Heritage District Master Plan, while at the same time meeting the legitimate cost concerns of companies in locating or expanding in a specific location.

In determining whether to offer economic incentives, the Village Board of Trustees may consider the following:

- The development of the Property is expected to create job opportunities within the Village;
- The development of the Property will serve to further the development of adjacent areas;
- But for the financial assistance from the Village, the development of the Property would not be possible;
- The applicant meets high standards of creditworthiness as demonstrated by having provided evidence of having funds available to pay the entire cost of developing the Property;
- The development of the Property will strengthen the commercial sector of the Village;
- The development of the Property will enhance the tax base of the Village;
- *For re-development projects:* Property Status:
  - a portion of the Property has remained vacant for at least one (1) year;
  - that portion of the Property which has not remained vacant for at least one year includes a building that no longer complies with one or more building codes; and or
  - that the buildings on the Property have remained less than significantly unoccupied or underutilized for a period of at least one year; and
- This offer of assistance from the Village is in the best interest of the Village.

Rather than establish a one-size fits all economic development program, the Village Board and staff employ a creative problem-solving approach to each project. The Village primarily relies on the following tools to facilitate development of commercial, office and industrial areas.

- **Annexation agreements:** The Village and developer/land owner agree to land uses and other concessions as a part of incorporating into the Village limits.
- **Recapture agreements:** The Village and developer agree to allow recapture of a portion of private investments made in public infrastructure, to be partially reimbursed by other properties that may benefit from the investment.
- **Sales tax rebate agreements:** The program allows for the Village to share local sales taxes with a business as a financial incentive on a commercial expansion or new construction project to induce a highly desired tenant or help overcome extraordinary development costs.

- **Special Service Areas:** A contiguous area within a Village in which special governmental services are provided in addition to those services provided generally throughout the Village, the cost of the special services to be paid from revenues collected from taxes levied or imposed upon property within that area.
- **Special Assessments:** Special assessment districts in the Village of Pingree can be created to finance infrastructure improvements in existing areas such as streets with curbs and gutters, storm sewers, sidewalks and street trees and the installation of water and sanitary sewer lines. Properties within these districts carry a lien for the proportionate share of the cost of the specific public improvements that benefit the property.
- **Tax increment financing in established districts:** Tax increment financing (TIF) is a planning and financing technique which allows the Village to capture the increase or growth in local property taxes resulting from a redevelopment project. This property tax increase or growth (the "tax increment") is captured and used by the Village to help pay for the public costs associated with the redevelopment project.

Through TIF districts, the assessed valuation of real estate within a "blighted", "conservation" or "industrial park" project area is frozen. This base amount (taxes that are normally levied on real estate) continues to be disbursed to the taxing bodies serving the TIF area (e.g. county government, school district, and township). However, the growth in property tax revenues generated in the TIF, over and above the base amount, is diverted to a special tax allocation fund established by the Village. The Village can utilize the TIF funds for: demolition or rehabilitation of existing buildings; clearing and grading of land; construction costs of public infrastructure improvements and capital costs; bond financing costs incurred by the Village; interest costs incurred by a redeveloper; planning, architectural, engineering, legal and other services; training costs of a business' employees within the redevelopment area; property assembly costs and occupant relocation costs; and staffing costs to implement and administer the redevelopment plan.

- **Business Incentive District** Commercial areas designated as a 'Business District' are eligible to participate in a consumer tax revenue incentive to be paid out of increased sales taxes. This program allows for a sales tax increase in the district in an amount up to one percent. The ultimate incidence of liability for payment of the tax shall be upon the purchaser or user of goods or products purchased within the District, and nothing in this program shall be construed to impose a tax upon the occupation of selling or distributing goods or products within the District. This tax shall be in addition to any and all other taxes. The Village would pledge and apply the consumer tax revenues to the reimbursement of development costs incurred by the developer pursuant to an adopted plan.

The Village will evaluate and consider other forms of economic incentive or financial assistance that are uniquely related to any given project.

This statement is not meant to be a guarantee of the provision of incentives to any project.

Persons interested in pursuing this assistance should contact the office of the Village Administrator, 847-464-5533.