

MAYOR'S BUSINESS RETENTION/ EXPANSION PROGRAM



Village of Orland Park
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Orland Park, Illinois 60462

www.orland-park.il.us



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PROGRAM OVERVIEW

The overall purpose of the Mayor's Business Retention/Expansion Program (BREP) is to increase employment diversity and strengthen the Village's tax base and the program is intended to:

- ▶ Promote and assist eligible Orland Park industrial and commercial businesses with the expansion of business operations in the Village of Orland Park (Village).
- ▶ Provide short-term financial incentives to industrial and commercial businesses to remain in the Village of Orland Park as a viable business.
- ▶ Allow a business to improve cash flow and enhances the potential of receiving other local, County and State incentives available to qualifying businesses.
- ▶ Demonstrate the Mayor and Board of Trustees' commitment to enhancing and strengthening the existing positive business environment of the Village, in balance with the overall quality of life.

STANDARD TERMS AND CONDITIONS

- ▶ Business Expansion is defined as (1) the purchase of equipment to increase output potential and increasing the number of employees or (2) physically expanding the operating square footage of the facility, including construction of a new facility or expansion of an existing facility, and increasing the number of employees.
- ▶ APPLICANT is presently a Village of Orland Park business and has been for at least five years. APPLICANT agrees to remain in the Village for at least three years after expiration of the agreement. If the business moves from the Village prior to expiration of the agreement, or within the three-year period after expiration of the agreement, all incentive amounts previously paid to the APPLICANT are to be paid back to the Village.
- ▶ Village participation in any given financial incentive agreement will not exceed five years.
- ▶ The business expansion may be funded with a portion of the **increased** Village portion of property taxes, **increased** Village portion of sales tax, or a combination of both, but

no financial incentive will exceed 50% of the incremental revenues received by the Village.

- ▶ The financial incentive cannot exceed 25% of the business expansion costs. The maximum financial incentive is \$200,000.
- ▶ The BREP may be used in consort with the Orland Park Revolving Loan Fund Program, State of Illinois incentives and loan programs, and Industrial Revenue Bonds as administered through the Illinois Development Financing Authority, all as permitted by law.

SUBMISSION REQUIREMENTS

- ▶ When a potential APPLICANT expresses interest in the incentive program, the Village Manager and the APPLICANT will meet to discuss the project, as well as tentative agreement terms/conditions. Subsequent to the initial meeting, an APPLICANT LETTER requesting the BREP, along with draft terms/conditions agreed to by the APPLICANT and the Village Manager, and including 1, 2, and 3 below, will be submitted to the Village Manager for initial review.
 1. Quarterly Sales Tax Reports for the past three years must be submitted with the APPLICANT LETTER.
 2. Past three years' property tax bills (both installments) from the Cook County Assessor/Clerk must be submitted with the APPLICANT LETTER
 3. A letter directing the Illinois Department of Revenue to release past and future sales tax payment information to the Village of Orland Park
- ▶ The Village Manager will present the APPLICANT LETTER and draft terms/conditions to the Finance Committee for review and approval/denial. The Finance Committee's acceptance of the APPLICANT is not final approval; full Board approval will be obtained at a subsequent Board Meeting.

METHODOLOGY FOR INCENTIVE

- ▶ At the time of application, Village personnel will determine the amount of annual sales tax revenue that the Village has been receiving from the APPLICANT through the Illinois Department of Revenue and/or
- ▶ At the time of application, Village personnel will determine the base amount of annual property tax revenue (based on the last full year property tax bill) that the Village has been receiving from the APPLICANT through the Cook County Treasurer.

- ▶ The base amount of sales and property tax is frozen and deducted from future sales and property tax revenue amounts received from APPLICANT. The difference between the base amount and the future revenue amounts becomes the increment.
- ▶ 50% of any incremental revenues will be shared with the APPLICANT. The base amount of sales and property tax revenues will continue to be collected and retained by the Village, as well as 50% on any incremental revenues. The financial incentive that will be paid to the APPLICANT will not exceed 50% of the incremental revenues received by the Village. If the Village does not realize any incremental revenues, the APPLICANT will not receive any financial incentive.

VILLAGE OBLIGATION

The Village of Orland Park's obligation to the APPLICANT is discontinued if any of the following occur.

- (1) The APPLICANT ceases to operate business within the corporate limits of the Village of Orland Park, or
- (2) Orland Park has reimbursed the APPLICANT the predetermined maximum dollar amount of the incentive or
- (3) The predetermined term period has lapsed.