

# Godfrey Incentive Ordinance

## Chapter 22 of the Godfrey Code of Ordinances

### ARTICLE VI. POLICIES FOR PROVIDING ECONOMIC DEVELOPMENT FUNDING ASSISTANCE

#### Sec. 22-244. Purpose.

The purpose of this policy is to assist in attracting and retaining high quality development that is compatible with the long-range goals expressed in the strategic plan and compatible with land uses as outlined in the comprehensive land use plan.

(Ord. No. 29-2004, § 1 9-22-2004)

#### Sec. 22-245. General policy.

The village may, at the village's discretion, provide financial or in kind assistance to new or existing commercial, industrial, or institutional development through the use of incremental and other revenues accruing to the village (and other taxing districts where a project is to be located within a TIF district). The village may assist developers in seeking state and federal incentive financing if requested.

(Ord. No. 29-2004, § 1, 9-22-2004)

#### Sec. 22-246. Detailed policy.

(a) Economic incentives considered by the village must provide a demonstrable return to the village for the future investment of incremental tax revenue and will only be considered if the project would not be possible without this assistance. Incentives of other types can be considered when the direct result of the incentive is the encouragement of development which meets the village's goals and objectives.

(b) Requests for economic development assistance must be in the form of a completed application. That application should be accompanied by detailed financial information that demonstrates the developers projected revenue that the project is expected to generate. The basis for the financial estimates should be included. This information will be regarded as proprietary and will remain confidential.

(c) For projects that are requesting sales or property tax rebate incentives, only those village revenues which are directly accrued by the proposed project will be considered for use to assist the development or redevelopment activities and costs. These incremental revenues are those which result from the proposed project in excess of current village revenues being generated from the project site or area.

(d) Eligible project elements to be financed shall be limited to the actual costs of improvements

or activities:

(1) Project costs which can be characterized as public improvements or of direct or indirect benefit to the public may include items such as: upgrade or installation of roads, water and sewer lines, storm water detention facilities, demolition of existing buildings, removal of existing infrastructure which is antiquated, removal or mitigation of hazardous materials or substances, removal or relocation of physical impediments to developing the land (i.e., underlying rock, canalization or relocation of storm water courses, major site grading to correct large topographic variations, etc.), costs associated with planning and engineering of the public improvements as defined above, including the village's planning and legal costs associated with implementation of the economic development assistance program for the project, and relocation of existing residents or businesses.

(2) Land acquisition costs include those which are over and above current market values for property suitable for commercial or industrial development due to factors such as added cost for the value of improvements which have no value to the planned project and the costs associated with the acquisition of property using the village's power of eminent domain.

(e) The applicant will demonstrate that but for financial assistance requested from the village, the project would not otherwise be carried out. The developer should provide an affidavit to such effect.

(f) Normally, not more than 25 percent of the total project cost will be supported by incentive revenues. Total project cost is the cost of development of the project including all land, site and public infrastructure, and building and site amenity costs necessary to constitute an operating commercial or industrial project. Financial assistance will not normally exceed 50 percent of the incremental village revenue to be generated by retail commercial uses and will be limited to a ten (10) year period. Financial assistance will not include interest on the developer's invested cost to which the incentive is being applied.

(g) For projects that generate sales tax revenues, a portion of the revenues generated and accruing to the village will be retained by the village. The percentage to be retained by the village will be determined through negotiations between the applicant and the village.

(h) For multi-phase projects or those having multiple buildings, assistance will be provided based on the overall development program and channeled through a single development agreement with the prime developer. No separate financial incentives or assistance to owners or developers of parcels that are sub-components of the primary project will be provided.

(i) All project assistance from the village will be provided based on a negotiated development project agreement between the village and the developer to be adopted by ordinance. That agreement will contain a cost recovery process to follow in the event that the assisted project fails prior to the completion of the period covered by the incentive.

(j) All projects for which city financial assistance is requested (except those within a TIF district) will be required to conform to the provisions of the Illinois business district development

and redevelopment act (65 ILCS 5/11-74.3-1) and shall meet all of the stipulations and requirements therein. Projects proposed within a TIF District shall be subject to the provisions of the Illinois tax allocation redevelopment act (TIF Act, 65 ILCS 5/11-74.4-1)

(k) Projects which involve the relocation of an existing activity from one location to another within the boundaries of the village or involve the redevelopment of an existing activity shall have the incremental revenue generation amount based upon the amount in excess of the revenue previously accruing to the village at the existing location.

(l) Financial assistance provided by the village to reimburse eligible project costs shall be repaid to the developer based on a note agreement adopted by ordinance that is in concert with the provisions of any business district development and redevelopment plan and companion development agreement approved by the ordinances adopted for the specific project. This note shall not bear interest to the holder and shall not pledge any revenues of the village other than those incremental revenues generated by the project. The provisions of this policy may be modified or waived by the village board of trustees for projects within the boundaries of a TIF district.

(m) No assistance will be provided to any project for expenditures incurred prior to the adoption of the ordinances required to implement the project.

(n) The Village will require the developer to pay an application fee at the time of application to be applied toward the village legal and planning costs associated with the implementation of the economic development assistance program for the project. This application fee shall be in a minimum amount of \$1500.00. \$1000.00 constitutes a deposit, \$500.00 is non-refundable. An accurate estimate of the total amount of the Village's legal and planning costs associated with implementation of the project may be given to the applicant/developer in writing no less than 30 business days prior to the scheduled passage of the ordinance(s) implementing the project. Village legal and planning expenses in excess of \$1000.00 will be billed to the applicant and are payable prior to village board of trustees final approval of an ordinance related to the development agreement. These expenses are an eligible project cost reimbursable to the applicant/developer via the incremental revenue payments made by the village. In the event that the village board of trustees does not adopt the ordinances as provided for above, any payment received by the village from the applicant in excess of actual expenses incurred by the village (minus the non-refundable \$500.00 application fee) shall be returned to the applicant.

(o) In addition to the policies set forth above, the following miscellaneous provisions should be noted by any applicant/developer seeking economic development financial assistance from the village in the form of incremental revenue reimbursement:

(1) The adoption of these policies by the village board of trustees in the form of an ordinance should not be construed to mean that the provision of financial incentives using incremental revenues to be generated by a proposed project shall be approved for any applicant and/or project that may be able to comply with the policies as set forth herein. Each project will be independently evaluated and subject to the goals of the village as determined from time to time.

(2) The village reserves the right to amend, modify, or withdraw these policies; revise any requirement of these policies; require additional statements, sworn affidavits as to the goals of these policies or any additional information from any applicant/developer, and further to negotiate or hold discussions with any applicant/developer and/or project which does not completely conform to the policies as set forth above, to waive any nonconformity with these policies, and to waive or modify any timetables established by ordinance, resolution or motion.

(3) Submission of an application for economic development assistance that complies with the spirit and intent of these policies does not commit the village to approval of the development/redevelopment project associated with said application.

(p) The village may exercise the foregoing rights at any time without notice and without liability to any applicant, developer and/or project or any other party for its expenses incurred in the preparation of an application for economic development assistance. The costs and preparation of any such application and related costs associated with responding to the village in its review of such application shall be the sole responsibility of the applicant/developer.

(Ord. No. 29-2004, § 1, 9-22-2004)

To download a copy of the application for incentives, please [click here](#).