

VILLAGE OF ORLAND PARK

14700 Ravinia Avenue
Orland Park, IL 60462
www.orlandpark.org

Ordinance No: 5520

File Number: 2020-0361

AN ORDINANCE AMENDING TITLE 1 (ADMINISTRATION), CHAPTER 13, (ECONOMIC DEVELOPMENT LOAN PROGRAM) SECTION 1-13-4 (ADDITIONAL USES OF ECONOMIC DEVELOPMENT LOAN PROGRAM FUNDS) OF THE VILLAGE OF ORLAND PARK CODE, AS AMENDED

VILLAGE OF ORLAND PARK STATE OF ILLINOIS, COUNTIES OF COOK AND WILL

Published in pamphlet form this 2nd day of June, 2020 by authority of the President and Board of Trustees of the Village of Orland Park, Cook and Will Counties, Illinois.

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AN ORDINANCE AMENDING TITLE 1 (ADMINISTRATION), CHAPTER 13, (ECONOMIC DEVELOPMENT LOAN PROGRAM) SECTION 1-13-4 (ADDITIONAL USES OF ECONOMIC DEVELOPMENT LOAN PROGRAM FUNDS) OF THE VILLAGE OF ORLAND PARK CODE, AS AMENDED

WHEREAS, the Village of Orland Park, Illinois (the “Village”) is a home rule unit by virtue of the provisions of the Constitution of the State of Illinois of 1970; and

WHEREAS, the Village, as a home rule unit, may exercise such powers and perform any function pertaining to its government and affairs; and

WHEREAS, the Village recognizes that it is necessary and for the best interests of the Village to relieve conditions of unemployment as a result of the COVID-19 pandemic and to encourage the economic development of the Village thereby reducing the challenges attendant upon unemployment and providing for the increased welfare and prosperity of the residents of the Village; and

WHEREAS, the Village Board desires to establish an economic development incentive program as a business assistance program, the purpose of which is to recruit and retain businesses within the Village, thereby stimulating the economy of and within the Village, providing employment for residents of the Village and others, further expanding the goods and services available for purchase and consumption by businesses and residents of the Village, and further increasing the sales and use taxes collected by the Village; and

WHEREAS, the Village Board finds that increased tax collections realized in connection with such program will enable the Village to provide expanded and improved municipal services to and for the benefit of the Village, while at the same time providing public-related improvements to the Village and its taxpayers and residents; and

WHEREAS, the Village Board finds that the creation of an economic development incentive program is consistent with the Village’s powers as a home rule municipal corporation and that exercise of said powers in the manner provided in this Ordinance is in the furtherance of the public health, safety and welfare;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ORLAND PARK, COOK AND WILL COUNTIES, ILLINOIS, as follows:

SECTION 1

Title 1, Administration, Chapter 13, Economic Development Loan Program, Section 1-13-4, is amended by deleting Section 1-13-4 in its entirety, and inserting in its place the following language, to read in its entirety as follows:

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“1-13-4: ADDITIONAL USES OF ECONOMIC DEVELOPMENT LOAN PROGRAM FUNDS:

A. Except as set forth in subsection B below, funds currently available and designated for the Economic Development Loan Program may be utilized and expended for economic development purposes, other than loans to new and established businesses, at the discretion and approval of the Village Board of Trustees.

B. Economic Development Incentive Programs

1. Purpose

The purpose of the Economic Development Incentive Programs created by this Section is to encourage the recruitment, retention, establishment and/or substantial expansion of tax generating businesses within the Village, thereby stimulating the economy of and within the Village, providing employment for residents of the Village and others, expanding the goods and services available for purchase and use by businesses and residents of the Village, and further increasing the sales taxes collected by the Village. Increased sales tax collections will enable the Village to provide expanded and improved municipal services to and for the benefit of the residents of the Village, while at the same time providing public or public-related improvements at no cost, or at deferred cost, to the Village and its taxpayers and residents. Participation in these Economic Incentive Programs shall be based upon approval by the Village Board of the Village of Orland Park, exercising its legislative discretion in good faith.

2. Non-traditional Sales Tax Sharing Program

The Village is desirous of local sales tax generating industrial development. As an economic incentive to induce potential applicants to construct sales tax generating industrial development, a Non-Traditional Sales Tax Sharing Program is established.

Any owner or applicant of a newly established or proposed local sales tax generating industrial development, or the owner or applicant of an existing local sales tax generating industrial development which wishes to expand substantially, may apply to the Village for inclusion in this program provided that the new or expanded business is reasonably likely to generate enhanced or increased sales taxes.

Approval by the Village Board of rules implementing this program shall entitle the successful applicant to share in enhanced sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the Village's share of enhanced sales taxes; provided, however, that

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applicant shall use amounts received pursuant to this program only for improvements which are proposed by said business in its application and expressly approved by the Village Board at the time of consideration of the application. The time period in which said sales taxes may be shared shall not commence until all public or public-related improvements are completed and meet Village standards, and shall be limited by the Village Board, in its discretion, to a specified time, which shall not exceed ten (10) years, or until a specified amount is reached.

3. Back-fill Vacant Restaurant Incentive Program

The Village is desirous of back-filling vacant restaurant locations within the Village. As an economic incentive to induce potential applicants to back-fill vacant restaurants with new restaurants, a Back-Fill Vacant Restaurant Incentive Program is established.

Any owner or applicant that wishes to re-establish a restaurant in a currently vacant property, may apply to the Village for inclusion in this program provided that the new business is reasonably likely to generate enhanced or increased sales taxes.

Approval by the Village Board of an agreement implementing this program shall entitle the successful applicant to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the Village's share of any sales taxes generated; provided, however, that applicant shall use said amounts only for improvements which are proposed by said business in its application and expressly approved by the Village Board at the time of consideration of the application. The time period in which said sales taxes may be shared shall not commence until all public or public-related improvements are completed and meet Village standards, and shall be limited by the Village Board, in its discretion, to a specified time, which shall not exceed ten (10) years, or until a specified amount is reached.

4. Hotel Incentive Program (New Hotels)

The Hotel Incentive Program (HIP) provides economic incentives to develop 3 to 5 star quality hotels in the Village of Orland Park to generate additional Transient Occupancy Tax. HIP is an economic development tool to help attract targeted industries, increase local employment, expand the tax base, and create long-term capital investment and new wealth opportunities in the community for eligible hotels with a financing gap as determined by a financial and economic analysis.

The Village currently collects a 5% Transient Occupancy Tax. Approval by the Village Board of an agreement implementing this program shall entitle the successful applicant to share in Transient Occupancy

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Tax derived from applicant's property or business in an amount which shall not exceed forty percent (40%) of the Transient Occupancy Tax generated; provided, however, that applicant shall use said amounts only for improvements which are expressly approved by the Village Board at the time of consideration of the application. The time period in which said Transient Occupancy Taxes may be shared shall not commence until all public or public-related improvements are completed and meet Village standards, and shall be limited by the Village Board, in its discretion, to a specified time, which shall not exceed ten (10) years, or until a specified amount is reached.

5. Hotel Incentive (Existing Hotels)

The Existing Hotel Incentive Program (EHIP) provides an economic incentive for existing hotels. Eligible applicants will receive 2% of the Village's share (5%) (or 40% of the net) of hotel tax proceeds to be returned to the existing hotel for a period of 12 months following the date of implementation of Phase 4 of the Restore Illinois Program. Applications for this program must be received by June 30, 2020.

6. Sales Tax Sharing (Small Businesses)

Small Businesses (as designated by the Small Business Administration) impacted by the COVID-19 Pandemic can apply for a 90-day 50/50 sales tax split following the implementation of Phase 4 of the Restore Illinois Program. Applications for this program must be received by June 30, 2020.

7. Orland Park Commercial Impact Program

The goal of the Orland Park Commercial Impact Program is to encourage new commercial growth and development through the temporary reduction and deferral of permit and impact fees. New commercial projects will receive a 25% reduction on permit/impact fees and a 25% reduction on water tap fees. Additionally, projects are allowed to defer the payment until issuance of the final occupancy certificate. Applications for this program must be received by September 30, 2020. A project completion deadline will be established by agreement by the Village Board, in its discretion, in consultation with the applicant.

8. Advanced Manufacturing Incentive

The Village is desirous of encouraging advanced manufacturing facilities to locate in Orland Park. As an economic incentive to induce potential applicants to construct advanced manufacturing facilities in Orland Park, an Advanced Manufacturing Incentive Program is established.

a.) Property Tax Exemption

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Any owner or applicant of a newly established or proposed advanced manufacturing facility, or the owner or applicant of an existing advanced manufacturing facility, which wishes to expand substantially, may apply to the Village for inclusion in this program. To qualify, businesses need to invest a minimum of \$5 million.

Approval by the Village Board of an agreement implementing this program shall entitle the successful applicant to receive partial property tax exemptions from Village. The partial property tax exemption shall not exceed fifty percent (50%) of the Village-specific property tax; provided, however, that applicant shall use said amounts only for improvements, which are expressly approved by the Village Board at the time of consideration of the application. The time period in which said property tax may be shared shall not commence until all public or public-related improvements are completed and meet Village standards, and shall be limited by the Village Board, in its discretion, to a specified time, which shall not exceed ten (10) years, or until a specified amount is reached.

b.) Large Business Property Tax Cap

Any owner or applicant of a newly established or proposed advanced manufacturing facility, or the owner or applicant of an existing advanced manufacturing facility, which wishes to expand substantially, may apply to the Village for inclusion in this property tax cap program. Businesses that invest a minimum of \$1 billion in capital improvements will receive a Village property tax exemption on all property in excess of \$400 million in value per year.

Approval by the Village Board of an agreement implementing this program shall entitle the successful applicant to receive partial property tax exemptions from Village-specific property tax. The applicant shall use said amounts only for improvements, which are expressly approved by the Village Board at the time of consideration of the application. The time period in which said property tax may be shared shall not commence until all public or public-related improvements are completed and meet Village standards, and shall be limited by the Village Board, in its discretion, to a specified time, which shall not exceed ten (10) years, or until a specified amount is reached.

9. Limitations

In no event shall the Village, pursuant to any of the programs authorized under this Chapter, be liable to rebate, share, or otherwise provide any participant with funds not actually received by the Village from the State of Illinois or any other source. Any person, firm, or entity which is delinquent in its taxes shall forfeit the right to participate in the programs authorized under this Chapter.”

SECTION 2

All other parts of Chapter 13 not specifically changed by this Ordinance shall remain unchanged and effective. All ordinances in conflict with this Ordinance are hereby repealed to the extent of the conflict.

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SECTION 3

If any section, subsection, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this Ordinance.

SECTION 4

This Ordinance shall be in full force and effect from and after its adoption and publication as required by law.

SECTION 5

The Village Clerk is hereby ordered to publish this Ordinance in pamphlet form, such pamphlets to be available to the general public at the Village Clerk's office.

PASSED this 1st day of June, 2020

/s/ John C. Mehalek

John C. Mehalek, Village Clerk

Aye: 7 Trustee Fenton, Trustee Dodge, Trustee Calandriello, Trustee Healy, Trustee Nelson Katsenes,
Trustee Milani, and Village President Pekau

Nay: 0

DEPOSITED in my office this 1st day of June, 2020

/s/ John C. Mehalek

John C. Mehalek, Village Clerk

APPROVED this 1st day of June, 2020

/s/ Keith Pekau

Keith Pekau, Village President

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/s/ John C. Mehalek

John C. Mehalek, Village Clerk