



Legislation Text

File #: 2021-0444, **Version:** 0

Title/Name/Summary

Economic Development Incentive Programs Update

History

In June 2020, the Village Board created economic development incentive programs designed to support the business and development community during the unprecedented economic disruption caused by the COVID-19 pandemic.

The Village desires to update the economic development incentive programs as a business assistance resource. The purpose of the programs is to stimulate the local economy by recruiting and retaining businesses, providing employment opportunities, expanding the goods and services available for purchase and consumption by businesses and residents of the Village, and increasing the taxes collected by the Village.

The Village desires to keep the following programs in place:

Non-traditional Sales Tax Sharing Program

Any owner or applicant of an existing or proposed local sales tax generating industrial development may apply to the Village for inclusion in this program provided that the new or expanding business is likely to generate increased sales taxes. Successful applicants are able to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the generated sales taxes for a period of time which shall not exceed ten (10) years.

Back-fill Vacant Restaurant Incentive Program

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 likely to generate increased sales taxes. Successful applicants are able to share in sales taxes derived from applicant's property or business in an amount which shall not exceed fifty percent (50%) of the generated sales taxes for a period of time which shall not exceed ten (10) years.

Hotel Incentive Program (New Hotels)

Provides economic incentives to develop 3 to 5 star quality hotels in Orland Park. The Village currently collects a 5% transient occupancy tax. Approved applicants are able to share in transient occupancy taxes derived from the applicant's property or business in an amount which shall not exceed forty percent (40%) of the transient occupancy tax generated for a period of time which shall not exceed ten (10) years.

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 can receive a 25% reduction on permit/impact fees and a 25% reduction on

water tap fees. Additionally, projects are allowed to defer payment until issuance of the final occupancy certificate.

Advanced Manufacturing Incentive (Property Tax Exemption)

Any owner or applicant of a newly established or proposed advanced manufacturing facility, or the owner or applicant of an existing advanced manufacturing facility, that 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. Approved projects will receive partial property tax exemptions from the Village in an amount not to exceed fifty percent (50%) of the Village-specific property tax for a period of time which shall not exceed ten (10) years.

Also, the Village seeks to create two (2) new incentive programs:

Commercial Office Incentive Program (Property Tax Exemption)

Any owner or applicant of a newly established or proposed office facility, or the owner or applicant of an existing office facility, that wishes to expand substantially, may apply to the Village for inclusion in this program. To qualify, businesses need to invest a minimum of \$2 million. Approved projects will receive partial property tax exemptions from the Village in an amount not to exceed fifty percent (50%) of the Village-specific property tax for a period of time which shall not exceed ten (10) years.

Outdoor Dining Expansion Program

Any owner or applicant that wishes to expand outdoor dining at a food establishment may apply to the Village for inclusion in this program provided that the expansion is reasonably likely to generate enhanced or increased sales taxes. Successful applicants are able 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 newly generated sales taxes generated, based on the increment above the average of the applicants past three (3) year's generated annual sales tax, for a period of time which shall not exceed ten (10) years.

Successful applicants can also receive a 100% waiver on development service fees associated with the outdoor dining expansion project.

Finally, parking space requirements for the applicant can be reduced within 20% of the Village's requirements for total number of parking spaces required on a lot, so long as the Village's Development Services Department determines that the number of required parking spaces will not unreasonably increase parking congestion along public streets or in parking areas located on nearby lots.

Participation in the economic development incentive programs shall be based upon approval by the Village Board on a case by case basis.

Recommended Action/Motion

For discussion only. Village staff will take Board comments and make revisions as necessary prior to bringing an ordinance forward.

