

***VISION STATEMENT FOR
THE CITY OF MCHENRY***

A thriving city that promotes smart, sensible growth
while preserving and enhancing its small-town charm!



WEST ILLINOIS ROUTE 120 CORRIDOR ENHANCEMENT INITIATIVE

An economic incentive program for site development and redevelopment and infrastructure improvements to foster economic investment on West Illinois Route 120 between Meadow Lane on the east and Ringwood Road on the west!

TABE OF CONTENTS

Economic Development Vision for the City of McHenry	3
City of McHenry Economic Development Goals	3
City of McHenry General Guidelines for Economic Incentives.....	3
West Illinois Route 120 Corridor Enhancement Initiative.....	4
Overview and Summary of Program	4
Desired Goals to be Achieved	4
Projects Eligible for Assistance.....	4
Application Process	4
Project Evaluation Criteria	5
Priority Projects.....	5
Ineligible Uses.....	5
West Illinois Route 120 Corridor Enhancement Initiative Application Form ..	6
Business Certifications	10

Economic Development Vision City of McHenry

The City Council is acutely aware of the challenge of maintaining the quality of life residents and businesses alike have come to enjoy and expect without compromising the City's long-term economic sustainability. To this regard the City Council adopted an Economic Development Plan in January of 2009 Economic Development Strategy in July 2011. Following are six goals established by the McHenry City Council for economic development and guidelines, adopted as part of the Citywide Economic Development Strategy, for economic incentive requests. The goals are also incorporated in the Economic Development Strategy.

City of McHenry Economic Development Goals (adopted as part of Economic Development Plan January 2009)

1. Create a vibrant Downtown.
2. Develop and Implement Strategies to Retain Existing Businesses in the City.
3. Enhance the existing retail base.
4. Encourage Retail Development on the South Side of the City.
5. Market McHenry as a Character Counts! Community and a Great Place to Live, Work Play and visit.
6. Create Opportunities for Industrial, Job Generating Development AND Work to Locate a Facility for Large-Scale Meetings and Events in the City.

City of McHenry Guidelines for Economic Incentives (adopted as part of Economic Development Strategy July 2011)

- Economic incentives considered by the City must provide a demonstrable return to the City for the future investment of incremental tax revenue and will only be considered if the project would not be possible without this assistance;
- Incentives shall only be considered for projects which are consistent with the vision for the City, as well as the goals outlined in the City's Economic Development Plan;
- Requests for economic development assistance must be in the form of a written request which shall include, at a minimum: detailed financial information that demonstrates the business/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;
- The applicant will demonstrate that but for financial assistance requested from the City, the project would not otherwise be carried out. The developer will provide an affidavit to such effect;
- Requests for economic incentives will generally be based upon project costs, costs of the development including land, site and public infrastructure, building and site amenity costs necessary to constitute an operating commercial or industrial project. Financial assistance will not include interest on the developer's invested cost that the incentive is being applied to;
- All project assistance from the City will be provided based on a negotiated Economic Incentive Agreement between the City and the private party and adopted by resolution. The 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;
- The subject project must comply with the City's approved design guidelines and development standards if applicable.

West Illinois Route 120 Corridor Enhancement Initiative

Overview and Summary of Program

Illinois Route 120, between Meadow Lane and Ringwood Road, has deteriorated economically and not seen substantial economic investment for some time due to property and building obsolescence, dilapidated structures, incompatible land uses and lack of community planning. The Village of Wonder Lake has approved Thatcher Meadows Subdivision, which includes hundreds of dwelling units, including a commercial area.

The West Illinois Route 120 Corridor Enhancement Initiative is a proactive measure taken by the City Council to spur economic investment and reinvestment, encourage new businesses to locate along the West Illinois Route 120 Corridor and maintain and promote expansion of existing businesses. Owners of property along West Route 120 between Meadow Lane and Ringwood Road are eligible to participate in the Enhancement Program. Those businesses who are tenants of commercial buildings in this same area are eligible if the building owner's consent is provided in writing.

Types of financial assistance extended by the City may but not limited to include sales tax rebate, property tax abatement (City portion only) and waiver of permit and capital development fees. Accelerated sales tax rebates for "priority projects" may be considered. The accelerated rebate would entice a large investment that may produce potential large sales tax revenues and reflect a willingness to attract and encourage large economic investment by allowing more rapid incentive recovery.

Desired goals to be achieved through this program

- Encourage a high quality appearance of buildings and site design;
- Promote coordinated development of parcels to achieve efficient off-street parking and maximum utilization of land area;
- Stimulate private investment upgrading existing buildings or expansion of existing businesses and new construction;
- Assemble multiple parcels for neighborhood-oriented retail and/or service development;
- Make the area more pedestrian-friendly;
- Provide for improvements to create safe and efficient vehicular access, minimize curb cuts, encourage shared parking and cross-access;
- Establish high screening and transitional yard requirements to minimize land use conflicts between commercial and adjacent residential;
- Reduce blighted/conservation area attributes along the corridor;
- Provide for lighting or coordinated signage improvements to make the corridor visually appealing for people wishing to patronize businesses.

Projects eligible for assistance under the program

- Interior remodeling;
- Environmental remediation activities;
- Relocation expenses of expanding businesses;
- Building rehabilitation;
- Storm sewer, sanitary and water system improvements;
- Demolition;
- Business expansion;

Application Process

- Submittal of completed application with required attachments;
- Preliminary meeting with staff will be scheduled to discuss application and additional information required will be noted;
- First project presented to full City Council for consideration, initial review and feedback;
- Second project presentation to full City Council and consideration of incentive/reimbursement agreement;
- Payment to applicant will be solely by monetary reimbursement following completion of work and generation of income from property;

Project Evaluation Criteria*

- Applicant/owner must be opening a new business, residential building and/or expanding an existing business within the boundaries of the corridor;
- Amount of new or additional sales tax;
- Significant new or increased property tax;
- Financial feasibility;
- Significant safety improvement (consolidation of lots, reduced curb cuts, increase cross-access between businesses);
- Bringing non-conformities into conformance;
- Listed as priority project.

Priority Projects*

- Motor vehicle dealerships (new or expansion of existing);
- Sales tax producing businesses;
- Multi-family housing with significant increase in property taxes;
- New construction or significant enhancement/improvement of existing dilapidated structures;
- Full-service restaurants;
- Specialty stores;
- Grocery stores.

Ineligible Uses**

- Adult-oriented uses;
- Financial institutions;
- Towing facilities or junkyards;
- Motor vehicle body or repair facilities;
- Not-for-profit organizations (not exclusively but generally);
- Home Occupations;
- Single-family residential;
- Taverns.

*Projects will be evaluated based on their overall economic impact (revenue generation, fiscal and socioeconomic impacts, employment generation, companies located in more developed economic regions, businesses which are complimentary to existing supplier base and capital, higher than average wages, amount of capital investment and taxable sales. (Projects generating new wealth and projects with a larger overall economic impact on the community will be given a higher priority).

**Ineligible businesses are as-defined in current City of McHenry ordinances. If a use is not defined in any ordinance the common dictionary definition will be applied.

West Illinois Route 120 Corridor Enhancement Initiative

Application Form* 2012

Project Address

Name of Applicant/Company

Authorized Applicant Signature

(Print/Type name and title)

Date of Submittal

Requested Reimbursement Amount

Prepared by the City of McHenry

Please submit application to: Douglas Martin, Deputy City Administrator
333 S Green Street
McHenry, IL 60050
dmartin@ci.mchenry.il.us

*Personal and proprietary financial information requested as part of this application will be kept confidential. Documents, personal and proprietary financial information requested will be kept on file with the City of McHenry for review only by the Mayor and City Council Members and selected staff. However, non-personal and non-proprietary in this application, along with the business plan, will be distributed as part of the public record.

1. **Type of Project** (Select one or more)*

- Public Infrastructure/Facilities
- Streetscape Enhancement
- Multi-family Construction
- New Commercial Construction
- Expansion of existing commercial
- Façade Improvements/Building Rehabilitation
- Demolition

2. **Business Street Address** * _____

3. **City, State, Zip*** _____

4. **Project Start Year (Total Time Duration)*** _____

5. **Industry Type (NAICS Code)*** _____

6. **Service Region*** _____

7. **Contact Information***

(Person/people responsible for this application and the actual implementation of the project; list all applicable)

Name(s): _____

Title(s): _____

Date of Establishment: _____

Sole proprietorship _____ Partnership _____ Corporation _____

Management*

Name(s): _____

Title(s): _____

Percentage Ownership: _____

Address: _____

Phone: _____

Cell phone: _____

Fax: _____

Email: _____

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.

8. **Describe the company/organization*** (History, Products, Technology, Growth Opportunities, Competitors):

9. **Describe Employment and Wages***

Current # of Employees:
 Skilled: _____
 Semi-Skilled: _____
 Unskilled: _____
 New Direct Jobs Created: _____
 New Direct Annual Payroll: _____
 Percent Living in City of McHenry: _____
 Percent Living in McHenry County: _____
 Total Number of Employees: _____

10. **Project Objective ***

Revenue Generation	()
Streetscape Improvement	()
Removal Slum/Blight	()
Job Creation/Retention	()
Infrastructure Improvement	()

Describe proposed project and Explain fully how the proposed project meets the Objectives of the West Route 120 Corridor Enhancement Initiative and City of McHenry Economic Development. Fully describe the activity for which you are requesting funds and if the project involves physical location (i.e. a building, expansion, streetscape, infrastructure). Quantify your anticipated accomplishments. (e.g., (x) increase in sales/property tax, 30 jobs created, removal of (x) number of curb cuts, etc.) Clearly identify current levels of service provided vs. increases due to requested reimbursement amount (Applicants should provide a budget narrative specifically describing how applied-for funds will be allocated to the project. Describe how required match will be made available within the project completion schedule. Demonstrate ability to secure matching funds through past efforts or current financing plans. Describe activities to be funded with matching funds (Use additional pages if necessary).

11. **Real Estate Costs***

New Construction Cost: _____
 Land Cost: _____
 Building Cost: _____
 Annual Lease Amt: _____
 Building Square Footage: _____
 New Building Expansion Square Footage: _____

12. **Equipment Purchases***

Value of New Equipment Purchases: _____
 (%) Sales Tax Exempt: _____

13. **Annual Utilities Usage***

Telecommunications: _____
 Electric (kWh): _____
 Gas (Therms): _____

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.

14. **Annual Direct Taxable Sales (Result of New Project/Expansion Only)***

15. **Annual Taxable Corporate Income***

16. **Project Completion Schedule***

- A. Maximum time anticipated to complete activity:
Beginning Date:
Ending Date:
- B. Steps or phases necessary to complete activity. (Attach a project schedule demonstrating the amount of progress that would be made on a monthly basis.
- C. If the property is currently not zoned for the proposed activity please provide a timeline for any rezoning, conditional use permit or variance required.

17. **Required Attachments***

- A. Business Plan (history of business and market information identifying company products and services as well as major customers.
- B. Business Financial Statements (Minimum three years historical plus most recent 90 days (balance sheet, profit and loss statement and reconciliation of net worth. Projected earnings report (three year projected balance sheet and profit and loss statement, plus one year monthly cash flow.
- C. Personal Financial Statements from previous two years of each principal owning 20% or more of business.
- D. Documentation evidencing existence of business entity and authorization to enter into loan:
 - a) For Corporations:
 - 1. Articles and Certificates of Incorporation.
 - 2. Secretary's Certificate of Board of Directors' Resolution Authorizing Loan.
 - b) For Partnerships:
 - 1. Certificate of General or Managing Partner authorizing loan.
 - 2. Certificate of Partnership (for Limited Partnership).
 - 3. Partnership Agreement
 - c) For Sole Proprietorship:
Operating Licenses/DBA Certification.
 - d) For Land Trust:
 - 1. Trust Agreement.
 - 2. Letter of Direction to Trustee authorizing execution/acknowledgment of loan documents.
 - 3. Disclosure of Beneficial Interests.
 - 4. All Preliminary Documents for Guarantor under a, b or c above.

*List/provide all applicable information, state same as above if applicable or N/A for not applicable. Provide response to each question.

Business Certifications*

I, the undersigned, hereby certify that _____ is a business in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. No tax liens have been filed, including but not limited to, state, county, municipal or federal against the business, any partners of the business, the majority shareholders of the business, or in the name of any related business owned by the recipient.

I further certify I understand that all information contained within this application or submitted by me to the City of McHenry on behalf of the business, is subject to the Freedom of Information Act, with the exception of all business and personal financial information which shall be maintained strictly confidential by the City of McHenry. I understand that all completed applications are submitted for review and action by the City of McHenry City Council and that their decision is final.

I further certify that _____ is an equal opportunity employer and do not discriminate and do not discriminate on the basis of race, creed, color, sex, religion, age, national origin or ancestry, physical or mental handicap, marital status or matriculation. I further certify I understand any monetary reimbursement provided to _____ may be subject to the Illinois Prevailing Wage Law and/or contingent on public funds being sought may be subject to and/or contingent on _____ paying prevailing wage, consistent with the Illinois Prevailing Wage Law.

I certify that all information in this application, including all documentation and attachments, is accurate, complete and true to the best of my knowledge and belief.

_____	_____	_____
Sign and Print Name	Title	Date

_____	_____	_____
Sign and Print Name	Title	Date

_____	_____	_____
Sign and Print Name	Title	Date

_____	_____	_____
Sign and Print Name	Title	Date

* All applicable parties must complete in order for application to be considered.

CITY MCHENRY

WEST ILLINOIS ROUTE
120 CORRIDOR ENHANCEMENT
INITIATIVE

HEART OF THE FOX RIVER

