

VILLAGE OF LINDENHURST

Lindenhurst Economic Assistance Program (LEAP)





Lindenhurst Economic Assistance Program (LEAP)

I. PURPOSE

The purpose of the Village of Lindenhurst Economic Assistance Program (LEAP) is to encourage the recruitment, retention, establishment and expansion of tax-generating business within the Village. Business expansion in Lindenhurst will stimulate growth in the local economy by providing employment opportunities for residents of the Village and others, expanding the goods and services available locally, and increasing the dollars collected by the Village and other local government service providers.

LEAP is an initiative taken by the Village to encourage a vibrant and diversified tax base, local employment opportunities and expansion of the local economy.

II. LEAP GOALS AND OBJECTIVES

The Village hereby establishes the following goals and objectives towards implementation of the program:

- Promote economic development and redevelopment strategies
- Provide incentives that facilitate economic development projects and local business growth
- Strengthen the local tax base through business expansion
- Create and retain jobs locally
- Encourage development and redevelopment compatible with Village architectural design standards, streetscaping plans, and furtherance of the Village's Comprehensive Plan

The following objectives have been established towards meeting these goals:

- Provide assistance through economic incentives to facilitate economic development and redevelopment within the Village
- Utilize public/private partnerships through development and incentive agreements to complete project improvements
- Coordinate the extension and/or availability of public infrastructure to available development sites
- Assist in limiting financial hardships to acquiring, developing and locating businesses within Lindenhurst by offsetting qualifying development/improvement costs
- Encourage enhancements to architectural design, building facades, landscaping and lighting that improve the overall character of the Village

III. FINANCIAL ASSISTANCE

Through creation of this program, the Village has determined that, from time to time, development projects within the Village may require municipal incentives to off-set development related costs. Without these municipal incentives, financial hardships due to local market conditions, cost of land, and completion of public and site improvements would make the development, redevelopment or expansion infeasible. This, in turn, could negatively impact the local economy and the tax revenues received by the Village. As such, municipal financial incentives are designed to ensure that development occurs within Lindenhurst to further the expansion of the local tax base and public interest.



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IV. OVERVIEW OF PROGRAMS AVAILABLE

- A. “Welcome to Lindenhurst!” Program
- B. Retail/Restaurant Improvement Grants
- C. Commercial Business Development Grants
- D. Sales Tax Rebates

V. Other Incentive Requests

The Village may consider incentive requests for grants, fee waivers, infrastructure improvements, and property tax rebates, on a case by case basis. Generally, the Village will not consider incentives that involve the waiver of recapture fees, fees for other taxing districts, or Village consultant review fees.

VI. LEAP Application Procedure

a. Step 1: Application Submittal

The application should be completed and submitted to the Village for review by staff.

The following items are required at the time of application to be considered:

- Application Form(s);
- Affidavit of Owners Consent/Letter of Intent/Signed Lease as defined in the guidelines herein;
- At least two (2) contractor’s work proposals including a detailed cost estimate along with an indication of where the work will take place (interior, exterior, parking lot, grounds, etc.);
- Proof of General Liability Insurance with coverages under the commercial general liability insurance to be not less than \$1,000,000 per each occurrence and \$2,000,000 aggregate. Each policy shall name the Village as an additional insured.

Applications will be prioritized based on the date of receipt of a completed application up to the amount of available funding. Village staff will recommend approval or denial of the application to the Village Board based upon the criteria of the specific grant programs defined in this document. A favorable recommendation of staff does not constitute approval. An application is not considered approved until receiving approval by the Village Board. Decisions rendered by the Village Board

b. Step 2: Commencement of Work

If approved by the Village Board, the applicant will receive notice of award in writing from the Village which will include the total amount of the grant award. Approval does not indicate in any manner approval of construction which would otherwise be granted by a building permit.

The applicant may then secure services of contractors and vendors to proceed with the proposed work. Building permits, where applicable, will need to be applied for and granted by the Village. All work must begin within six months and completed within



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twelve months from receiving notice of an award. An applicant may request an extension up to another six months from the Village Administrator. Changes to the scope of work that will affect the terms of the approved grant application must be provided to the Village Administrator.

Upon completion of the project, all permitted work is to be approved by an inspector employed by the Village in accordance with building permitting procedures. Only work that will be inspected is that work for which the permit was originally issued.

c. Step 3: Payment

At the completion of work, an applicant must submit:

- A receipt or other acceptable document indicating that the work was paid in full. Copies are acceptable.
- A notarized final waiver of lien to be completed by the contractor or vendor.
- A completed W-9 form.
- A fully executed reimbursement agreement.

Payment will be authorized when all required documentation is submitted and in good form. Checks will be issued after Village Board approval pursuant to the payment of bills at a Village Board meeting.

VII. LEAP Terms and Conditions

The Village of Lindenhurst reserves the right to modify any aspect of this program or end the program for any reason at any time without notice. Each application is reviewed on a case by case basis. Grants for retail/restaurants and other commercial businesses are not intended to be used in combination, but the Village Board may assemble different economic development incentives based on the scope of investment of a particular applicant.

All awarded applicants must agree to the terms and conditions provided within an incentive agreement. Grant recipients must sign an agreement with the Village promising to refund any monies which are in violation of the terms of the agreement. An awarded applicant must agree to not remove any improvements for any reason without limitation for a period of three (3) years after receiving the grant money. If any awarded applicant removes improvements, or sells/vacates the benefitted property or properties for any reason within this three (3) year period, they must repay the grant award on a pro rata basis.



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“Welcome to Lindenhurst!” Program

I. Overview

The Village desires to quickly assimilate new businesses into our community and provide them with a network of peers who may assist in the growth and development of their business. It is important to start our new businesses on the right foot with the publicity and access to resources which helps our local businesses thrive.

The Village of Lindenhurst will cover the cost of a “Silver” membership (currently \$195/year), or future equivalent, into the Lake Villa-Lindenhurst-Round Lake Area (LLRL) Chamber of Commerce for the period of one-year.

II. Applicant Eligibility

- a. Must be a current LLRL Chamber of Commerce Member in good standing located within the corporate boundary of Lindenhurst, or
- b. Must be a business located within the corporate boundary of Lindenhurst who is not a current member of the Chamber who expresses interest in a Silver membership with the Chamber of Commerce on or before November 30, 2021, or
- c. Any new business opening or relocating within the corporate boundary of Lindenhurst

III. Terms and Conditions

- a. This incentive is only good for a new business for a period of up to twelve months after receiving a business license from the Village of Lindenhurst
- b. The incentive is good for only one location of a business within the Village
- c. A new business may choose a different level of Chamber of Commerce membership, however the amount offered by the Village will remain unchanged.



LEAP Retail/Restaurant Improvement Grants

I. Overview

Grants of up to \$30,000 are available to qualifying retail and restaurant projects within the corporate boundaries of the Village of Lindenhurst. The grant allows a qualifying applicant to be reimbursed up to 50% of costs. Applications are reviewed by Village staff and approved by the Village Board.

II. Applicant Eligibility

- a. Must be a new, expanding, or remodeling retail or restaurant establishment willing to invest in a location within the Village of Lindenhurst
- b. Projects must be valued at least \$10,000 in expenses
- c. Projects must generate sales tax
- d. All projects must commence within six (6) months of receiving written approval of the grant application. Projects must also be complete within twelve months of receipt of approval.
- e. An approved application is good for only one location within the Village of Lindenhurst over the life of the LEAP program.
- f. Applicants who are tenants of commercial building must provide property owner's consent in writing, OR
 - i. Applicants must show proof of a signed, written lease agreement or letter of intent for a period of no less than three (3) years;

III. Eligible Improvements

- a. Materials for tenant build out (does not include the cost of labor).
- b. Permanent physical improvements to the interior of a building.
- c. Permanent physical improvements to the exterior of a building including signage.
- d. Maintenance elements may be included, but cannot consist of more than 25% of overall reimbursement amount. Normal maintenance work such as power washing/scraping, painting, tuck pointing, caulking are ineligible unless part of a larger façade improvement scope.
- e. Bonuses of up to \$5,000 are available for pandemic (COVID) business resiliency projects such as outdoor dining, outdoor gathering spaces, or HVAC improvements.



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Permanent Improvement Examples	Maintenance Element Examples
Doors	Blasting/Scraping
Electrical Conduit	Exterior Electrical Fixture Repair/Replacement and Lighting
Masonry	Landscaping
Structural Elements	Exterior Painting
Windows	Parking lot sealcoat, repair, and reconstruction (not striping)
Parking Lot Lighting	Sidewalk repair and reconstruction
Signage	
Life Safety and Accessibility	



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LEAP Business Development Grants

I. Overview

Grants of up to \$20,000 are available to qualifying commercial projects within the corporate boundaries of the Village of Lindenhurst. The grant allows a qualifying applicant to be reimbursed up to 50% of costs. Applications are reviewed by Village staff and approved by the Village Board.

II. Applicant Eligibility

- a. Must be a new, expanding, or remodeling retail or restaurant establishment willing to invest in a location within the Village of Lindenhurst
- b. Projects must be valued at least \$5,000 in expenses
- c. All projects must commence within six (6) months of receiving written approval of the grant application. Projects must also be complete within twelve months of receipt of approval.
- d. An approved application is good for only one location within the Village of Lindenhurst over the life of the LEAP program.
- e. Applicants must own the subject property or be engaged in a contract to purchase a subject property, OR
 - i. Applicants who are tenants of commercial building must provide property owner's consent in writing, OR
 - ii. Applicants must show proof of a signed, written lease agreement or letter of intent for a period of no less than one (1) year;

III. Eligible Improvements

- a. Materials for tenant build out (does not include the cost of labor).
- b. Permanent physical improvements to the interior of a building.
- c. Permanent physical improvements to the exterior of a building including signage.
- d. Maintenance elements may be included, but cannot consist of more than 25% of overall reimbursement amount. Normal maintenance work such as power washing/scraping, painting, tuck pointing, caulking are ineligible unless part of a larger façade improvement scope.
- e. Bonuses of up to \$5,000 are available for pandemic (COVID) business resiliency projects such as outdoor dining, outdoor gathering spaces, or HVAC improvements.



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Permanent Improvement Examples	Maintenance Element Examples
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Windows	Parking lot sealcoat, repair, and reconstruction (not striping)
Parking Lot Lighting	Sidewalk repair and reconstruction
Signage	
Life Safety and Accessibility	



LEAP Sales Tax Rebates

I. Overview

The Village of Lindenhurst receives sales tax receipts based upon 1% of qualifying sales within our jurisdiction. The Village does not charge an additional sales tax above what is granted by statute. Grants are available to qualifying commercial projects within the corporate boundaries of the Village of Lindenhurst. The dollar amount of the sales tax rebate is based upon the amount of new sales tax generated for the Village and could be adjusted based upon other relevant factors as determined by the Village Board.

II. New Sales Tax

To the extent that sales tax revenues will be used as the basis for economic incentives, the incentives shall be determined based upon new sales tax generated from the business.

In the case of all newly established businesses, a base amount of sales tax revenue shall be determined by the Village Administrator for negotiation purposes based upon the Village Administrator’s review of the business plan or other documentation required in determining the anticipated sales tax that will be generated from the newly established business.

In the case of incentives for existing businesses, the Village Administrator shall determine a base amount using as a basis for negotiation purposes an amount which is not less than the annual average of the sales tax receipts attributed to the applicant’s business operated within the Village over the previous three (3) previous calendar years.

III. Incentives - Percentage of New Sales Tax

The Village should consider the following percentages when tax revenues are the basis for economic incentive:

<u>Base Amount</u>	<u>Percentage of New Sales Tax</u>
\$50,000 - \$249,999	30%
\$250,000 - \$499,999	40%
\$500,000 - \$999,999	50%
\$1,000,000 – plus	60%

IV. Tiered Sales Tax Incentives

- a. The Village may consider a tiered sales tax incentive structure that would provide for the percentage of new sales tax to vary from the framework listed above. In these cases, higher percentages could be considered during earlier years of the agreement



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when the applicant is able to demonstrate that without such a tiered incentive approach the project would not be feasible.

V. Enhanced Sales Tax Incentives

- a. The Village may consider an enhanced sales tax incentive structure that would provide for an increased percentage when sales tax received by the Village and generated by the business exceeds the base amount defined herein.



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LEAP APPLICATION

Lindenhurst Economic Assistance Program

2301 E. Sand Lake Road, Lindenhurst, IL 60046 • www.lindenhurstil.org • mail@lindenhurstil.org • (847) 356-8252

The LEAP initiative was established by the Village to encourage a vibrant and diversified tax base, local employment opportunities and expansion of the local economy.

Please fill out this application completely – Type or Print

TYPE OF APPLICANT

- Retail/Restaurant Improvement** (50% of costs; Award capped at \$30,000) Minimum project cost of \$10,000
- All Other Commercial Business Development** (50% of costs; Award capped at \$20,000) Minimum project cost of \$5,000

BUSINESS INFORMATION

Applicant Name: _____

Business Name: _____

Business Address: _____

Business Phone Number: _____ Business Email: _____

Number of Employees: _____ EIN: _____

Description of Business: _____

CORRESPONDENCE INFORMATION (If different than DBA) Same as above

Name: _____

Address: _____

Phone Number: _____ Email Address: _____

SCOPE OF WORK TO BE PERFORMED, INCLUDING ESTIMATED COSTS (May be attached separately)

TOTAL GRANT AWARD REQUESTED

COVID-19 IMPACT

1. Was your project impacted by the COVID-19 pandemic? Yes No
If yes, please explain:

2. Are you making these modification due to the COVID-19 pandemic? Yes No

If yes, please explain:

APPLICATION ATTACHMENTS

- Affidavit of Owners Consent/Letter of Intent/Signed Lease
- A notarized final waiver of lien, to be completed by the contractor or vendor.
- At least two (2) contractors’ work proposals, including a detailed cost estimate along with an indication of where the work will take place (interior, exterior, parking lot, grounds, etc.).
- Proof of General Liability Insurance with coverages under the commercial general liability insurance to be not less than \$1,000,000 per each occurrence and \$2,000,000 aggregate. Each policy shall name the Village as an additional insured.

NOTE: Applications will be prioritized based on the date of receipt of a completed application, up to the amount of available funding.

PAYMENTS At the completion of the work, the applicant must submit:

- A receipt or other acceptable document indicating that the work was paid in full. Copies are acceptable.
- A notarized final waiver of lien, to be completed by the contractor or vendor.
- A completed W-9 form.
- A fully executed reimbursement agreement.

NOTE: Disbursements are on a first-come/first-served basis, subject to fund availability.

TERMS & CONDITIONS

The Village of Lindenhurst (“Village”) reserves the right to modify any aspect of this program or end the program for any time without notice. Each application is reviewed on a case by case basis. Grants for retail/restaurants and other commercial businesses are not intended to be used in combination, but the Village Board may assemble different economic development incentives or amend the conditions of the programs based on the scope of investment of a particular applicant.

Completion of the application does not, in any way, provide an applicant any material or property right to an award. Grant awards will ultimately be reviewed by the Village Board who has the sole discretion on authorizing or approving award(s) to applicants upon their merit. All decisions of the Village Board are final.

All awarded applicants must enter into an incentive agreement with the Village which will dictate the terms and conditions of the grant award. No grant awards will be provided to any party without a fully executed incentive agreement which is in a form acceptable to the Village. An awarded applicant must agree to not remove any improvements for any reason without limitation for a period of three (3) years after receiving the grant money. If any awarded applicant removes improvements, or sells/vacates the benefitted property or properties for any reason within this three (3) year period, they must repay the grant award on a pro rata basis.


Initials

CERTIFICATION

Dated this _____ day of _____, 20____

I certify that the information contained in this application is true to the best of my knowledge.

Applicant

Title

FOR OFFICE USE ONLY	
Date Received: _____	Signature: _____
Disposition: <input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	