

Economic Development Incentives Policy

The Village Board of Cary encourages economic development efforts in order to strengthen the Village's tax base, create jobs and stimulate and promote availability of new areas of commercial development while maintaining a high level of support to existing business. Building upon the recommendations in the Village's Economic Development Plan, this Economic Development Incentive Policy is to outline parameters for which the Village of Cary may provide assistance to achieve its economic development goals.

The intent of the policy is as follows:

1. To develop and implement a strategy for providing incentives
2. To encourage, assist and expand commercial/business development
3. To foster a climate of support for new and existing business in the Village
4. To identify and prioritize highly desirable uses

Guidelines for Economic Incentives

The Village of Cary, at its sole discretion, may approve requests for an economic incentive paid to a specific business. Nothing included in the Policy shall be deemed to require and/or imply a guarantee of economic development funding assistance even if all of the subsequent guidelines are met.

The following guidelines should be referenced in the implementation of this policy:

1. Economic incentives considered by the Village must provide a demonstrable return to the Village for the future investment of tax revenue or job creation/retention and will only be considered if the project would not be possible without this assistance.
2. Incentives shall only be considered for projects which are consistent with the vision for the Village, as well as the goals outlined in the Village's Economic Development Plan.
3. Requests for economic development assistance should 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.
4. The applicant will demonstrate that but for financial assistance requested from the Village, the project would not otherwise be carried out.
5. 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.

6. All project assistance from the Village will be provided based on a negotiated Economic Incentive Agreement between the Village 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.

Types of Incentives

The Village Board is committed to assisting the commercial and business community in order to encourage an ever growing and diversified development and commercial economic base in the community. In order to reach this end, the Village may consider certain incentives outlined in the Village's Economic Development plan and noted below:

Sales Tax Sharing

The Village of Cary may consider, on a case by case basis, reimbursement of the Village's portion of the retail sales tax generated by a project. The amount of the incentive may be contingent on the incremental sales tax generated by the benefitting party. Targeted uses include:

- Auto Dealerships
- Grocery Stores
- Restaurants
- Entertainment venues
- Retail sales tax generating uses

TIF Districts

The Village of Cary has two Tax Increment Financing (TIF) Districts. TIF Districts offer the opportunity for municipalities to attract private development and new businesses to areas that have not experienced the level of growth or development expected by the municipality. A benefitting property must be located in a designated TIF district in order to receive incentives. The Village may consider certain types of grants to assist with the relocation or expansion of a business.

Fee Reduction

A reduction in certain Village fees may be considered for both commercial and residential projects, provided that the projects meet the goals and objectives of the Comprehensive Plan and Economic Development Plan.

Grants

On a case by case basis, the Village may consider a grant to incentivize a business seeking relocation or expansion that may not generate sales tax but still meets the goals and objectives of the Comprehensive Plan and Economic Development Plan. The proposed business must also demonstrate how it was able to retain or create jobs as part of the project.