

**Village of Cary, Illinois
Economic Development Plan**



December 2013

Introduction

In August, 2013, the Village Board hosted an Economic Development workshop. The purpose of the discussion was to provide a general overview on economic development and outline the steps for developing a Village Wide Economic Development Plan (“Plan”). This Plan is the synthesis of that workshop and addresses the following:

1. Plan Goals and Objectives
2. Market Overview and Assessment
 - a. Commercial Corridors
 - b. Industrial Parks
 - c. Economic Development Tools
3. Development Opportunities
4. Implementation Strategy

The intent of this plan is to identify specific actions, priorities, and programs to enable the Village of Cary to achieve its economic development goals by building upon the Village’s economic assets and identifying new opportunities. The ultimate goal is to increase employment, facilitate the robust growth and expansion of businesses, improve the quality of life of all residents and businesses, enlarge the tax base, further promote and develop the downtown, and position the Village as an attractive place to live and work.

The purpose of the Plan is to articulate a set of measurable strategies and actions to facilitate economic growth and new opportunities in the Village. This Plan identifies efforts to be made and strategies to follow to work with property owners, developers, brokers, retailers, consultants and others for continued economic prosperity and enhanced vitality of the Village.

Economic Development Goals

1. Retain, expand and attract commercial and industrial businesses to Cary.
2. Promote general economic development and business growth.
3. Increase municipal revenue sources and identify incentives for specific development opportunities.
4. Encourage redevelopment along key commercial corridors.

Plan Goals and Objectives

Goal 1

Retain, expand and attract commercial and industrial businesses to Cary

This goal is intended to promote awareness of existing local businesses to residents and other customers in the Cary trade area as well as develop ways to attract new businesses to the community. Key strategies include:

1. **Raise awareness of local businesses.** Continue to partner with the Cary-Grove Chamber of Commerce on marketing strategies to both consumer and business markets. Develop a comprehensive business database to be shared with residents (for awareness purposes) and businesses (to promote business-to-business transactions within the community). Facilitate roundtable discussions with businesses for idea sharing.
2. **Retain existing businesses.** Continue business visits, including follow up visits. Be responsive to concerns raised by local businesses.
3. **Welcome new businesses.** Create a “Welcome to Cary” program for new businesses. This shall include a letter, business database and Village information.
4. **Attract new businesses and promote expansion of existing.** Continue to develop relationships with key business representatives that may choose Cary as their location. Develop a Village wide economic incentive policy targeting new and expanding businesses.
5. **New business follow-up.** Once a business locates within the community, follow up and seek input about their experience working with the Village.



In 2013, the Village of Cary became the new headquarters for Chirch Global Manufacturing and Cuginos Food Products.



Goal 2

Promote general economic development and business growth

This goal is intended to promote Cary as a business friendly environment. Key strategies include:

1. **Reinforce Cary's image as supportive to businesses and business growth.** Work proactively to identify businesses seeking expansion and promote Cary's willingness to help them expedite their development and approval processes.
2. **Provide clear and consistent rules and regulations.** Engage other departments and approval entities early in the permit process. Proactively work with businesses educating them about common code enforcement issues.
3. **Promote environmental sustainability.** Work with other government agencies to educate local businesses about environmentally friendly options. Establish business roundtables to promote sustainable opportunities and idea sharing.
4. **Keep businesses informed.** Keep the Village website up-to-date with the most recent economic development information. Through the Comprehensive Plan process, provide web based questionnaires to businesses to solicit suggestions, concerns and input.



In 2011, Sage Products, Cary's largest employer, completed a 200,000 square foot addition to their existing headquarters.

Goal 3

Increase municipal revenue sources and identify incentives for specific development opportunities

The purpose of this goal is to establish specific and attainable goals for increasing municipal revenue (e.g. sales tax) through a site specific strategy plan. Key strategies include:

1. **Identify key development parcels that have the opportunity to contribute most to the Cary economy.** Through the Comprehensive Plan process, identify several key sites within

Cary's municipal boundary that have a strong redevelopment opportunity within the next 3-5 years.

2. **Seek all available federal, state and county grants to assist with Cary's economic development efforts.** Continue to work closely with the State of Illinois Department of Commerce and Economic Opportunity and McHenry County's EDC for business assistance.
3. **Establish an "Explore all options" approach to businesses retention and recruitment.** Develop a "targeted" economic development incentive policy outlining parameters for Village assistance for specific types of development such as car dealerships and restaurants.



In 2012, Wendy's completed a major renovation to their existing store located on Route 14.

Goal 4

Encourage redevelopment along key commercial corridors

1. **Promote unified development where applicable and develop themes for distinct shopping areas.** Utilizing the Comprehensive Plan process, identify themes or niches that might be best for each corridor (restaurants, niche retail stores, recreation, etc.). Work with McHenry County Convention and Visitors Bureau to promote tourism opportunities in Cary.
2. **Promote façade enhancements and property reinvestment.** Subject to future funding, develop a façade grant program offering matching dollars to assist businesses with upgrades to the exterior of buildings, parking lots and signage.



In 2013, Meineke Car Care Center completed a remodel of a vacant Blockbuster Video building.

Market Overview and Assessment

The Village of Cary (population 18,271) is a progressive community located 50 miles northwest of downtown Chicago. With the Fox River running along its southern boundary, Cary is also bordered by the Village of Algonquin on the south, the City of Crystal Lake on the northwest, the Village of Lake in the Hills on the west, the Village of Oakwood Hills on the north and the Village of Fox River Grove on the east.

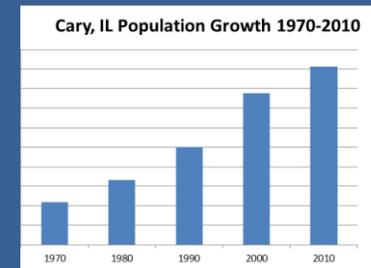
The Village of Cary comprises 5.9 square miles and has a balance of residential, commercial and industrial property. Route 14/Northwest Highway provides the main commercial corridor in the Village and offers several prime commercial development sites. The Village of Cary also offers future commercial development opportunities along Route 31. Cary has over 6,000 daytime employees working at businesses such as Sage Products, which produces medical supplies, the True Value manufacturing company, which produces paint products and numerous other light manufacturing businesses located in one of Cary's three main industrial park areas. Cary's downtown has a small town atmosphere with retail as well as service-oriented businesses lining its streets.

Commercial Corridors

Cary has four (4) distinct retail corridors including East Northwest Hwy/Route 14, East Northwest Hwy/Route 14, Downtown Area and Route 31.

Northwest Hwy/Route 14

Route 14 is a major artery running through the Village and has two (2) distinct areas (East & West) with an annual daily traffic count of approximately 30,000 vehicles per day.



The above chart shows the strong growth in Cary's population since 1970.

Northwest Hwy/Route 14 (East) - The east side of Route 14 is characterized as neighborhood convenience retail and professional office. Small areas of redevelopment exist along the north side, near Route 14 and Second Street. Strong retail development opportunities exist at the intersection of Route 14 and Jandus Cut-Off. A major intersection improvement is being undertaken by the Village of Cary in 2014 at Route 14 and Jandus Cut-Off. The area also includes two (2) Tax Increment Financing Districts to assist with redevelopment opportunities.

Northwest Hwy/Route 14 (West) - The west side of Route 14 consists of shopping centers with anchor tenants such as Jewel/Osco, Walgreens and O'Reilly's. Additionally, this area includes a mix of professional office space and restaurants. Although new development opportunities are limited on Route 14, additional retail sites are available on Three Oaks. Furthermore, façade enhancements and additional outlots will increase the vitality of the corridor.

Downtown

Downtown Cary functions as the symbolic heart of the community and the area's healthy inventory of inline storefronts and traditional architecture make it an attractive destination for Cary residents as well as outside visitors. Furthermore, nearly 1,000 daily train commuters utilize the Cary Metra station. It is important to ensure that as future redevelopment occurs, certain characteristics such as building placement and orientation should be taken into consideration to create a consistent, comfortable pedestrian realm.

Route 31

Route 31 is a key north-south route throughout the Fox Valley and eastern McHenry County. IDOT's \$33.3 million IL Route 31 Roadway Reconstruction project will result in a western bypass around downtown Algonquin and a divided highway treatment up to Route 176. These

Cary's Weekly Cruise Night



Every Wednesday night during the summer months, Cary's downtown hosts Cruise Nights.

improvements will accommodate additional traffic on Route 31 and bolster the potential for commercial development along the Village's western edge. Significant development opportunities exist for large big box retail tenants. The goals established as part of this plan, as well as the Comprehensive Plan sub-areas can be used to establish a long term vision for this property that reflects community desires and recognizes the area's value as a potential economic driver for Cary.

Industrial Areas

Cary's industrial uses and business parks are critical to the economic health of the Village. They provide jobs and places for employment, opportunities for local entrepreneurs, a daytime population to patronize local shops and restaurants, and diversity which broadens the Village's tax base. The Village of Cary has nearly 3.5 million square feet of industrial, flex and office space. Most of the 6,000 daytime employees are employed in these areas with major businesses such as True Value, Sage Products, Aptar Group, Coilcraft, Durex and Swiss Automation.

Economic Development Tools

The Village of Cary has several economic development tools that it uses to encourage development and redevelopment, assist local businesses and improve the quality of life within the Village, including:

Tax Increment Financing (TIF)

The Village of Cary has two (2) Tax increment financing, or TIF Districts. TIF is used in a variety of ways to encourage redevelopment, mainly through incentive agreements and grant programs. TIF is a development tool that generates a pool of money to be used for reinvestment within the



The 600,000 square foot True Value Paint Manufacturing facility is a major employer for the Village of Cary.

TIF area. This pool of money is created by “freezing” the assessed value of a property when a TIF district is created. The Village, county, township, school districts, and other local governments continue to collect property taxes based upon the frozen assessed value. Any increase in the property’s assessed value generates TIF increment, which is then available for projects within the TIF district. The Village has successfully used TIF funds in both districts to assist with public improvements.

Sales Tax Sharing/Rebates

A developer or business entity and the Village may enter into an agreement whereby the Developer/Business would receive all or a portion of local incremental sales tax revenues generated by the redevelopment of a specific location. These revenues would assist in the financing of the redevelopment activities. The agreement requires the sales tax generating entity to provide evidence of its payment of sales taxes to the State. This arrangement is “performance based” in that actual sales tax generation is the basis of the Village’s reimbursement.

Industrial Development Revenue Bonds

An Industrial Revenue Bond (IRB) is a unique type of revenue bond organized by a Village. The bond issue is sponsored by a government entity but the proceeds are directed to a private, for-profit business. An IRB differs from traditional government revenue bonds as the bonds are issued on behalf of a private sector business. IRBs are typically used to support a specific project, such as a new manufacturing facility. IRBs are desired as the private business receives a lower interest rate (due to the bonds tax-exempt status), a property tax exemption, and a long-term, fixed rate financing package.



Through the use of Tax Increment Financing and the potential for sales tax sharing, a large parcel has been cleared of several old industrial uses and is ready for redevelopment.

Local and State Grants

Local Grants- The Village may create local grants to help spur reinvestment in businesses seeking expansion or upgrades. These grants may assist with façade improvements, signage, landscaping or parking lots. Additional grants may be created to assist certain highly desirable uses such as restaurants.

State Grants- The State of Illinois offers the Economic Development For A Growing Economy Tax Credit Program (EDGE). The EDGE program is designed to offer a special tax incentive to encourage companies to locate or expand operations in Illinois when there is active consideration of a competing location in another State. The program can provide tax credits to qualifying companies, equal to the amount of state income taxes withheld from the salaries of employees in the newly created jobs. The non- refundable credits can be used against corporate income taxes to be paid over a period not to exceed 10 years.

Business Improvement District

A business improvement district (BID) is a defined area within which businesses pay an additional tax (or levy) in order to fund projects within the district's boundaries. The BID is often funded primarily through the levy but can also draw on other public and private funding streams. BIDs provide services, such as cleaning streets, providing security, making capital improvements, construction of pedestrian and streetscape enhancements, and marketing the area. The services provided by BIDs are supplemental to those already provided by the municipality.

Revolving Loan Fund

Since 1990, the Village of Cary successfully loaned approximately \$175,000 to local businesses as part of a revolving loan fund program.

Development Opportunities

Building upon the goals established as part of this plan, this section of the report strategically identifies five (5) key development sites that can provide the most immediate impact to the Cary economy and potential increase municipal revenue. As part of the 2014 Comprehensive Plan process, sub-area plans will be created providing guidance on how these sites can develop. It is recommended that these sites be given highest priority to promote development that is consistent with the Comprehensive Plan recommendations. The following is an analysis of each of the development opportunity sites:

Selcke Property on Jandus Cutoff & Route 14



- Property is 13 acres in area.
- Actively being marketed for sale.
- Property is zoned B2.
- Located in TIF District.
- Strong retail potential, especially food establishments and gas stations.
- Only large developable property on the morning drive side.

Jack's Channel



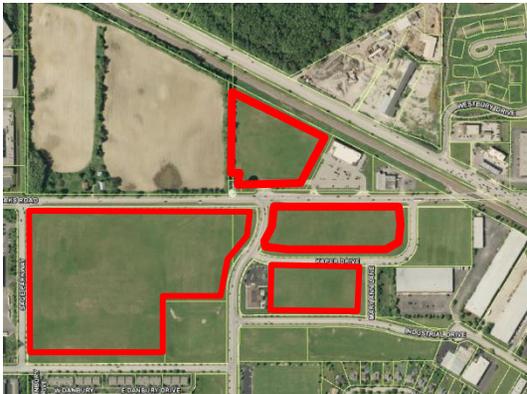
- Property is 30 acres in area.
- Highly visible gateway property.
- Direct access to the Fox River.
- Located in TIF District.
- Strong open space/recreational use and mixed use potential.

Damisch Farm Property on Route 31



- Property is 38 acres in area.
- Property is zoned B2.
- Directly adjacent to Wal-Mart.
- Site can accommodate big box retail or a few auto dealerships.
- Utilities are at the rear of the site.

Three Oaks Properties



- Four (4) properties totaling 44 acres.
- All sites are fully improved and being actively marketed for sale.
- Property is zoned B2 and Business park.
- Big box retail potential; however industrial users have been interested in a few sites.
- Flexible zoning uses should be explored as part of the 2014 Comprehensive Plan process.

Former Maplewood School Property



- Property is 15 acres in area.
- Property is located within walking distance to the Metra Station and downtown Cary.
- Property is zoned R2.
- Relocation of the existing bus facility may be required.

Implementation Strategy

The goals set forth in this plan will be accomplished through the following action items. These items will be completed in durations of short-term (0-6 months), mid-term (6-12 months), and long-term (12+ months) or ongoing. **As part of the annual budget process, it is recommended that an annual “Economic Development Action Plan” be created identifying ways to achieve these goals annually.**

Goal 1	Task/Objectives	Timing	Notes
Retain, expand and attract commercial and industrial businesses to Cary	Continue to partner with the Cary-Grove Chamber of Commerce on marketing strategies to both consumer and business markets.	On-going	
	Develop a comprehensive business database to be shared with residents and businesses.	Short-term	The database should be shared with businesses during staff visits.
	Facilitate local manufacturing “mixers” where Cary’s industrial businesses can meet each other in an effort to promote local trade.	Mid-term/On-going	
	Continue the business visitation program by visiting at least 15 businesses per year (including follow-up visits).	On-going	
	Develop a “Welcome to Cary” program for new businesses.	Short-term	Program should include an introduction letter, business database, Village information and promotional efforts.
	Create a comprehensive database of prospective businesses that may be seeking to locate into Cary.	Short-term	
	Continue to represent the Village of Cary at local trade shows and events.	On-going	

Goal 2	Task/Objective	Timing	Notes
Promote general economic development and business growth	As part of the Business Visitation program, identify businesses seeking expansion and promote Cary's willingness to help them expedite their development and approval processes.	On-going	
	Develop a "Business Resource Handbook" to be provided to existing and prospective businesses.	Mid-term	The handbook shall include general information about requirements for opening a business, getting permits and signage information.
	Promote environmental sustainability amongst businesses through roundtable discussions.	Mid-term/On-going	This discussion can occur as part of the industrial "mixers".
	Continue to update and maintain the Community and Economic Development Department's information on the Village website.	Short-term/On-Going	This shall include census data, development information, building & zoning information, success stories, and downtown information. Include a web-based questionnaire.
	Develop a Village of Cary marketing brochure highlighting Cary as a "Great Place to do Business".	Short-term	
	Develop a "Shop Local" campaign educating residents about the importance of keeping sales tax dollars in Cary.	Mid-term/On-going	
	Promote residential growth and development.	On-going	Work with the landowners of existing and proposed projects to help spur development.

Goal 3	Task/Objective	Timing	Notes
Increase municipal revenue sources and identify incentives for specific development opportunities	Promote the development of the four (4) target areas identified as part of this plan. The development of these sites shall be consistent with the recommendations outlined in the updated Comprehensive Plan.	Long-term	As part of the 2014 Comprehensive Plan update, the consultant will be preparing sub-area plans for each of the target areas.
	Develop an annexation strategy plan for remaining areas around the Village of Cary. This strategy should include a fiscal study.	Long-Term	This report should begin after the completion of the 2014 Comprehensive Plan update.
	Develop a Village wide economic incentive policy targeting new and expanding businesses.	Short-term	
	Target industrial businesses to relocate to Cary from nearby counties.	Short-term	With McHenry County's lower tax rates for Industrial users, proactively promote opportunities to businesses possibly relocating from higher cost areas such as Cook county.
	Continue to work and partner with the State of Illinois Department of Commerce and Economic Opportunity and McHenry County EDC for business assistance programs and leads.	On-going	

Goal 4	Task/Objective	Timing	Notes
Encourage redevelopment along key commercial corridors	Implement the branding recommendations identified as part of the 2014 Comprehensive plan.	Long-term	
	Facilitate an update to the Village of Cary Zoning Ordinance ensuring that flexibility is provided for commercial and industrial uses.	Long-term	
	Develop targeted incentives for projects in certain areas.	Mid-term	Building upon the Village wide incentive policy, incentives should be targeted at specific types of uses such as restaurants, car dealerships and high employment users.
	Promote redevelopment in both TIF Districts.	On-going	Develop grant programs within each TIF district incentivizing investment.
	Work with McHenry County Convention and Visitors Bureau to promote tourism opportunities in Cary.	On-going	
	Re-Establish the Village's Revolving Loan Fund Program.	Mid-term	Work with the Department of Commerce and Economic Opportunity to re-establish the program utilizing the existing funds available.