



Fiscal Impact Report
Proposed Willow Creek North Shore
Glenview, Illinois

DRAFT

Prepared for Willow Creek North Shore



March 4, 2013

Rev. Steve Gillen
Campus Pastor
Willow Creek North Shore

Dear Rev. Gillen:

It is a pleasure to present this fiscal impact analysis of your proposed multi-specialty ambulatory facility in Glenview, Illinois. This report addresses the following issues:

- Estimating the total incremental direct revenue sources to the Village of Glenview as a result of this project over a 20-year period.
- A discussion of the incremental costs to the Village of Glenview as a result of this project.

This analysis is dependent on a number of financial and market assumptions that were developed in connection with this report. Since future events are not subject to precise forecasts, some assumptions may not materialize in the exact form presented in this analysis. In addition, other unanticipated events or circumstances may occur which could influence the future outcome and performance of the project. Nonetheless, we believe that the underlying assumptions provide a reasonable basis for this analysis.

We appreciate the opportunity to work with you on this engagement and look forward to discussing the results of the report with you.

Very truly yours,
Laube Consulting Group LLC

DRAFT

Michael S. Laube

I. EXECUTIVE SUMMARY

The proposed plan is to construct a church facility on West Lake Ave. in the Glen in the Village of Glenview (the “Village”). The facility is proposed to be a 75,000 square foot facility that will include a 1,200 seat auditorium, 400 seat café, 500 classroom seats, and a 200 seat school room that will serve middle and high school children.

Total Municipal Tax Impact

- Average Annual Tax Revenue Collections by Glenview - \$162,011
- First Year Tax Collections by Glenview - \$240,278
- Aggregate 20-Year Tax Revenue Collections by Glenview - \$3,420,212

This is comprised of payment in lieu of property taxes, sales taxes, electric excise taxes, natural gas excise taxes, and telecommunication excise taxes. Please see Table 2 for an annual summary of the projected tax collections.

Total Incremental Municipal Cost Impact

We are estimating that this facility will have no incremental cost impact to the Village. It will have very few, if any, fire, ambulance or police calls. Additionally, municipal services such as staff time for review of the project and water services will be covered by the normal permit fees and user charges respectively. This is further discussed in Section IX of this Report. **Therefore, the total impact shown above is also estimated to be the NET impact to the Village.**

Summary of Conclusions

This project will have positive municipal tax impact net of any incremental costs to the community over the life of this development. It will create temporary construction jobs, as well as have a positive indirect job impact. Additionally, there is estimated to be a significant economic spending generator, thus benefitting many other local businesses.

Please see Section IX for a further discussion of the conclusions.

II. PROPOSED FACILITY AND OPERATIONS`

The proposed plan is to construct a church facility on West Lake Ave. in the Glen in the Village of Glenview (the “Village”). The facility is proposed to be a 75,000 square foot facility that will include a 1,200 seat auditorium, 400 seat café, 500 classroom seats, and a 200 seat school room that will serve middle and high school children.

The facility will employ 40 full time staff, and weekly attendance throughout various events during the week will total 3,500 people and monthly Saturday events are estimated to total 1,200 attendees.

That equates to approximately 180,000 attendees annually and will clearly be an amenity to the community.

III. SALES TAXES**Overview**

Illinois statute imposes a Retailers' Occupation Tax ("ROT") of 6.25%. This ROT rate is allocated as follows: 5% to the State of Illinois, 1.25% to the Cook County, and 1% to the municipality, in this case, Glenview. In addition, Illinois allows home-rule municipalities to impose an additional home rule sales tax. Glenview has an additional 0.75% home rule sales tax.

Key Assumptions

- Approximately 10,000 square feet (400 seat) of cafe space will be incorporated into the facility.
- There will be approximately 180,000 visitors (parishioners) annually.
- The average discretionary spending per visitor is estimated to be \$20 and we assume that 55% of the visitors will make a purchase..
- 50% of the employees will make restaurant (lunch) purchases 125 days of the year at an average expense of \$8.

Please see Table 3 in the Appendix for a complete list of all assumptions used.

Collections*Glenview Municipal Sales Tax Collections*

Year	Collections
Year 1	\$52,653
Year 2	\$54,170
Year 3	\$55,731
Year 4	\$57,336
Year 5	\$58,988

The total anticipated incremental municipal sales tax collections from this development are estimated to be \$1.4 million over a 20-year period with the average annual collection being approximately \$70,000 per year.

Please see Table 4 in the Appendix for detailed projections.

IV. ELECTRICITY EXCISE TAX

Overview

Glenview imposes an electricity excise tax. The tax is imposed on the gross charges charged by electric retailers to a service address in the Village of Glenview for electric usage. Because this tax is imposed on the electric retailer, a non-for-profit entity, like Willow Creek, is still subject to the tax. It is passed through from the electric provider to the end user via the monthly charges. The current rate for this tax is 5% of gross charges for the Village.

Key Assumptions

- The facility's annual electric expense will be \$105,000 per year.

Please see Table 3 in the Appendix for a complete list of assumptions.

Collections

Glenview Municipal Electricity Tax Collections

Year	Collections
Year 1	\$5,250
Year 2	\$5,401
Year 3	\$5,557
Year 4	\$5,717
Year 5	\$5,882

The total anticipated municipal electricity tax collections from this development are estimated to be \$140,000 million over a 20-year period.

Please see Table 5 in the Appendix for detailed projections.

V. NATURAL GAS EXCISE TAX

Overview

Glenview imposes a natural gas excise tax. The tax is imposed on the gross charges charged by natural gas retailers to a service address in the Village of Glenview for natural gas usage. Because this tax is imposed on the natural gas retailer, a non-for-profit entity, like Willow Creek, is still subject to the tax. It is passed through from the electric provider to the end user via the monthly charges. The current rate for this tax is 5% of gross charges for the Village.

Key Assumptions

- The facility’s annual natural gas expense will be \$40,000 per year.

Please see Table 3 in the Appendix for a complete list of assumptions.

Collections

Glenview Municipal Natural Gas Tax Collections

Year	Collections
Year 1	\$2,000
Year 2	\$2,058
Year 3	\$2,117
Year 4	\$2,178
Year 5	\$2,241

The total anticipated municipal electricity tax collections from this development are estimated to be \$54,000 million over a 20-year period.

Please see Table 6 in the Appendix for detailed projections.

VI. TELECOMMUNICATIONS EXCISE TAX

Overview

Glenview imposes a telecommunications excise tax. The tax is imposed on the gross charges charged by telecommunications retailers to a service address in the Village of Glenview for telecommunications usage. Because this tax is imposed on the telecommunications retailer, a non-for-profit entity, like Willow Creek, is still subject to the tax. It is passed through from the telecommunications provider to the end user via the monthly charges. The current rate for this tax is 5% of gross charges for the Village.

Key Assumptions

- The facility's annual telecommunications expense will be \$7,500 per year.

Please see Table 3 in the Appendix for a complete list of assumptions.

Collections

Glenview Municipal Telecommunication Tax Collections

Year	Collections
Year 1	\$375
Year 2	\$386
Year 3	\$397
Year 4	\$408
Year 5	\$420

The total anticipated municipal electricity tax collections from this development are estimated to be \$10,000 over a 20-year period.

Please see Table 7 in the Appendix for detailed projections.

VII. PAYMENT IN LIEU OF PROPERTY TAX

Since Willow Creek is a non-for-profit entity and does not pay property tax, it is our understanding that Willow Creek has come to agreement with the Village to make certain payments in lieu of property taxes that will directly inure to the Village's benefit.

Firstly, during the life of the Tax Increment Financing ("TIF") District at the Glen, Willow Creek has agreed to make payment of \$180,000 per year. This will last for the next six (6)-years.

Secondly, after the expiration of the TIF District, Willow Creek has agreed to pay directly to the Village \$40,000 per year for the next fourteen years.

VIII. INCREMENTAL MUNICIPAL COSTS

Overview

In order to objectively look at the impact to the Village, the incremental cost of this proposed project must also be evaluated. Incremental municipal costs can come in the form of the need for increased fire, police or ambulance services. Additionally, there can also be incremental costs of providing water and sewer as well as Village staff time in order to evaluate the proposed plans for construction and the related zoning. This section will provide a discussion of all of them.

Police and Fire Services

These types of facilities require very little, service from municipal police or fire.

Police

These facilities are not typical targets for criminals nor do they have the type of activity that would attract the element that would necessitate a police call.

Fire

Unlike a business, this facility is not in constant use. It is used for various events throughout a week. As a result, fire calls may occur, but are unlikely or will be very rare.

Additionally, for both police and fire services, they should be easily able to be absorbed by current municipal services without any additional cost.

Village Staff Costs

The time incurred by Village staff to review and work through the zoning, annexation and building process is covered by the normal permits and fees paid for a facility like this. Based upon industry averages, the permit fees are approximately 0.75% - 1% (all in) of the hard costs of the project aggregately. At a minimum, this will cover the costs of review and time.

Water and Sewer Costs

This facility will be a user of the municipal water and sewer and will pay the normal and customary charges for this service. Therefore, this use will not have a negative impact on the Village.

IX. CONCLUSIONS

This proposed project is anticipated to have both a net positive impact to the Village and the State.

Over a 20-year period, this proposed project is anticipated to generate approximately \$3.3 million positive municipal tax revenue (summary in Section 1 and Table 2 in the Appendix) in impact directly to the Village NET of any incremental costs to the Village.

The intangible benefits of this project, include, but are not limited to the following:

- Attraction of outside visitors and guests.
- Provide for a productive use of a currently fallow site.
- Provide an amenity for the Village.

All of these net benefits coupled together lead us to the conclusion that this will have a very significant net positive impact to the Village and to the community as a whole.

APPENDIX

(The Appendix is an integral part of this Report. It details all assumptions and conclusions.)

Table 1 – Executive Summary

Table 2 – Municipal Tax Summary

Table 3 – Assumptions

Table 4 – Sales Tax Projections

Table 5 – Electric Excise Tax Projections

Table 6 – Natural Gas Excise Tax Projections

Table 7 – Telecommunications Excise Tax Projections