



**TAX INCREMENT FINANCING (TIF)
ASSISTANCE**

Application Packet

General Application Information

The Tax Increment Financing program is designed to serve the diverse needs of the business community and to place the Village of Downs in a more competitive position in working with business and industry. This will help them when making the decision to locate or expand within the Village of Downs corporate limits.

As part of our business assistance program, the Village is associated with McLean County Chamber of Commerce, the Illinois Department of Commerce and Community Affairs, USDA and other area development authorities to pool resources and expertise in putting together proposals and funding packages. The Village of Downs stands ready to make available the best development resources available to attract new business and industry and to aid existing business with their expansion plans.

The Village of Downs has three active Tax Increment Financing (TIF) Districts; TIF I (Downs Downtown, School and Park), TIF II (Downs Crossing) and TIF III (Downs Commercial). These were established to provide a funding mechanism to promote and enhance redevelopment in the downtown area and new development in the Downs Crossing area. See Exhibit A for a more formal description of a TIF District.

A TIF district enables the Village to capture all incremental property taxes (taxes over and above those being generated on the date the TIF is created) and in some instances sales tax and place those in a pool to be used for various allowable development incentives.

Allowable uses include:

- Land acquisition
- Planning, legal, engineering or architectural services
- Demolition of buildings and clearing of property
- Construction costs of infrastructure improvements
- Rehabilitation of existing structures
- Financing costs
- Payment in lieu of taxes

The Village enters into "redevelopment agreements" with businesses that either locate or make substantial improvements within the TIF districts. Through this agreement, the business agrees to complete the project and make certain improvements.

The amount of the negotiated assistance is determined by various criteria, including:

- The projected increase in the assessed valuation of the property.
- The number of and quality of new jobs created or retained.
- The amount of other revenue generated for the Village by the project.
- Financial strength of the applicant.
- Compatibility to furthering the development and economic goals of the Village.

A business cannot assume the Village will financially participate in the project. Decisions are made on a project-by-project basis and must receive Village Board approval before any assistance is provided.

Consideration for project assistance is to be reviewed for compliance with the following requirements:

- The business must be in good financial standing.
- The business must be located within one of the established TIF districts.
- The business must show the financial capacity to complete the proposed project.
- The business must not have financial obligations owed to the Village, McLean County or the State of Illinois

Projects falling outside the above set requirements may be reviewed according to adopted TIF plans or other such economic development goals of the Village.

Applications submitted shall be reviewed through the following process:

- Application materials shall be submitted to the Village Clerk to be reviewed for completeness, applicability and eligibility.
- The Village Clerk, if the application is complete, shall forward onto the Building Trustee, Zoning Enforcer and Mayor for further review. In order to better understand the needs of the project a meeting may be requested with the applicant.
- The Village Board will review and consider the application at the first available Regular Board Meeting after receipt at the recommendation of the Building Trustee, Mayor and/or Zoning Enforcer.
- If the recommendation is to assist in the project, a redevelopment agreement must be prepared and submitted to the Board for final approval.

While there is no charge to apply for TIF assistance, cost incurred by the Village for outside professional review or expertise will be the responsibility of the applicant. However, the Village will not seek professional review without prior consent of the applicant.

You must provide the following information before your TIF Project request will be considered:

Business Description

Provide an overview and description of your business.

Project Narrative

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- ➔ Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.
- ➔ Proposed use(s) of project (e.g. industrial, commercial, retail, office, residential for sale or for rental, senior housing, etc.)
- ➔ Construction information that may include the number of square feet to be demolished and constructed, the number and square footage of units, parking, and the number of construction phases;
- ➔ Benefit or service to the community

Site Map(s)

Provide a map that shows the location of the site. Also provide a map that focuses on the project and its immediate surroundings. Both maps should be no longer than 11x17.

Project Timeline

A project timeline is required. Include anticipated dates for site acquisition, project start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the applicant.

Other

Additional information may be needed or required. Please submit if applicable. Examples would be environmental studies, marketing studies, business plans, engineering or architectural drawings to be included for review and consideration.

Project Financial Information

Beware that TIF assistance is generally available as a reimbursement after the work is complete. Submission of the following application and financial information will provide the Board with the information needed to create an approved item list and amount eligible for reimbursement. This will be a maximum amount eligible for reimbursement.

You can submit draws against the eligible expenditures before the last Monday of each month by submitting receipts to the Village Clerk. Payment for eligible expense reimbursement will be made once a month following the Regular Village Board meeting.

Village of Downs, Illinois

Tax Increment Financing Assistance Application

Project Name: _____

Applicant Information

Company Name: _____

Business Form: _____ Corporation _____ Partnership _____ Sole Proprietorship

Years in Business: _____ Years as a Village of Downs Business: _____

Contact Person/Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: (____) _____ Alternate Phone: (____) _____ Fax: (____) _____

Email: _____

Project Information

Address of Proposed Project: _____

_____ TIF 1: Downs Downtown, School and Park

_____ TIF 2: Downs Crossing

_____ TIF 3: Downs Commercial

Use of TIF funds

_____ Property Acquisition	_____ Demolition of Building	_____ Site Preparation
_____ Site Improvements	_____ Rehab/Reconstruct/Repair	_____ Financing Cost
_____ Job Training	_____ Public Infrastructure	_____ Other (Specify) _____

Economic Development Information

Estimated Number of new jobs that will be created after the completion of the project:

Full-Time: _____ Part-Time: _____

Type of Jobs: _____ Range of Compensation: _____

Estimated Number of jobs retained after completion of the project:

Full-Time: _____ Part-Time: _____

Current annual gross sales: \$ _____ Estimated annual gross sales: \$ _____

Current annual taxable sales \$ _____ Estimated annual taxable sales \$ _____

Property Information

Parcel PIN: _____ Tax Payment \$ _____ Date paid: ____________

EAV: _____ Est. New EAV: _____

Parcel PIN: _____ Tax Payment \$ _____ Date paid: ____________

EAV: _____ Est. New EAV: _____

Parcel PIN: _____ Tax Payment \$ _____ Date paid: ____________

EAV: _____ Est. New EAV: _____

Project Costs

Description of Costs		Amount (\$)	Source of Funds
Purchase of Land			
Purchase of Existing Facility			
Demolition Cost			
Site Preparation			
<u>Site Preparation</u>		<u>Amount (\$)</u>	
• Clearing			
• Grading			
• Infrastructure			
• Improvements			
• Utilities			
• Hazardous Materials Removal			
• Other (_____)			
Total Site Preparation			
Renovations of Existing Buildings			
Construction of New Building(s)			
Purchase/Installation of Equipment & Machinery			
Architectural & Engineering Fees			
Legal & Other Professional Fees			
Contingency			
Working Capital			
Other (_____)			
Total Project Costs			

Financing Source	Amount (\$)	Terms: Yrs/Int	Contact Information
Requested TIF Reimbursement		Mthly as submitted	
Equity			
Loans from other sources (banks, etc.)			
a.			
b.			
c.			
Total Project Costs			

- **Please note that you must complete a W-9. W-9 must either be submitted with your application or to our Village Treasurer with your first reimbursement request.**

Certification by Applicant

The applicant certifies that it will comply with all the rules, regulations and ordinances of the Village of Downs. Applicant hereby certifies that all information contained above and in exhibits attached hereto is true to his/her best knowledge and belief and are submitted for the purpose of obtaining financial assistance from the Village of Downs, Illinois. It is also understood that there is no charge to apply for TIF assistance. However, the cost incurred by the Village of Downs for outside professional review or expertise may be the responsibility of the applicant.

Applicant Signature: _____
Print Name/Title: _____
Phone: _____
Date: _____

Application Review:

Village Clerk Signature: _____ Date: _____
Print Name: _____

Building Trustee Review:

Building Trustee Signature: _____ Date: _____
Print Name: _____

Zoning Enforcer Review:

Zoning Enforcer Signature: _____ Date: _____
Print Name: _____

Village Board Approval:

Mayor Signature: _____ Date: _____
Print Name: _____
Recommended for Approval: Yes No
Reason: _____

This Completes Your Application!

Please Return To:
Village of Downs
Attn: Village Clerk
211 S. Seminary
PO Box 18
Downs, IL. 61736

Phone: (309) 378-3221
Fax: (309) 378-3221
Email: info@villageofdowns.org

Exhibit A

AN OUTLINE OF AN ILLINOIS TIF DISTRICT

Tax Increment Financing (TIF) is a local tool for economic development available to Cities, Villages and Towns. TIF was created by the Illinois Legislature and approved by the Illinois Supreme Court. Today, more than 40 states have adopted similar statutes to promote and assist economic development. In Illinois, a TIF District needs no approval by the state or any other local government unit.

TIFs help fund new development by dedicating the increased real estate taxes generated by that development to the developer to defray eligible costs. The real estate tax increment includes all real estate taxes generated – school, county, park district, city, etc.

The new taxes generated are deposited into a special TIF Fund with the Village and are used to pay for certain eligible expenses. Such expenses include: land costs, sewer, water, streets, demolition, repair, renovation, parking, site work, landscaping – but not the costs of newly constructed buildings. All of these costs may be funded by the Village's issuance of TIF Bonds as a part of the financial structuring of the development. The principal and interest due on the bonds are repaid from the increment generated by the project itself. The Village and developer enter into a long-term Redevelopment Agreement at the outset of the creation of the TIF District.

TIF Districts can last for 23 years from the date of creation of the District and Bonds are issued for up to 20 years. All funds generated by the District must be used for projects located within the District.

TIF ELIGIBLE COSTS

“Redevelopment Project Costs” mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services;
2. Property assembly costs, including by not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred

by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.

11. Interest buy down, not to exceed 30% of the annual interest costs incurred by the developer; the total of such interest payments may not exceed 30% of the total redevelopment project costs. If TIF bonds are issued, then 100% of interest is eligible