



Tax Increment Financing Financial Assistance Program

General Policy:

While tax increment financing (TIF) is an important and useful tool in attracting and retaining businesses, it is essential that it is used appropriately to accomplish the City's economic development goals and objectives. The fundamental principle that makes tax increment financing viable is that it is designed to encourage development which would not otherwise occur. The City is responsible to assure that the project would not occur "but for" the assistance provided through tax increment financing.

It is the policy of the City to consider the judicious use of tax increment financing for those projects which demonstrate a substantial and significant public benefit by constructing public improvements in support of developments that will create new jobs, retain existing jobs, eliminate blight, strengthen the economic base of the City, increase property values and tax revenues, create economic stability, and stabilize and upgrade existing neighborhoods and areas. Priority will be given to projects that are judged to meet these goals.

Policy Guidelines:

The following criteria are to be used by the City to evaluate TIF applications:

1. Each TIF applicant must demonstrate that without the use of TIF, the project is not feasible and would not otherwise be completed.
2. The total amount of TIF assistance will not exceed twenty percent (20%) of the total project costs and will not exceed the total amount of TIF eligible expenses. Total project is the complete project as defined within the TIF assistance application.
3. TIF assistance for public infrastructure is favored.
4. Each TIF application must include evidence that the applicant possesses financial and technical ability to complete and operate the project.
5. Preference will be given to applicants who contribute equity of at least fifteen percent (15%) of the total cost of the project or provide a performance bond for the completion of the project; projects with equity contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.
6. TIF projects that create jobs with wages that exceed the median income level of Wood River are favored; each TIF applicant will provide the following statistics:
 - (a) The total number of additional employees that will be hired and potential that they will be hired from the City or local population; and
 - (b) The skill and educational levels, and range of salary and compensation required for jobs expected to be created.
7. If the project will involve development/redevelopment of vacant land, it should conform with the City's plans and programs and serve as a catalyst for further, high quality development or redevelopment.
8. Projects involving retail development that is targeted to encourage an inflow of customers from outside the City or that will provide services or fill retail markets that are currently unavailable or in short supply in the City will be viewed more favorably.

Allowable uses of TIF assistance funds include:

1. Land acquisition
2. Planning, legal, engineering or architectural services
3. Demolition of buildings and clearing of property
4. Construction costs of infrastructure improvements
5. Rehabilitation of existing structures
6. Financing costs

The City 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.

A business cannot assume the City will financially participate in the project. Decisions are made on a project-by-project basis and must receive City Council approval before the staff can process any assistance.

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

1. The business must be a "for profit" business in good financial standing.
2. The business must be located within one of the established TIF districts.
3. The business must show the financial capacity to complete the proposed project.

Applications submitted shall be reviewed through the following process:

1. Application materials, including the deposit, shall be forwarded to the Finance Director.
2. The Finance Director, City Manager, and other appropriate staff (Economic Development Team Members) will review the application for completeness, applicability and eligibility. In order to better understand the needs of the project, the applicant or staff may request a meeting.
3. If, after preliminary review of the application, the Staff determines that the project will most likely be denied TIF assistance, the application deposit may be returned to the applicant along with a letter of explanation.
4. After preliminary acceptance and additional review by staff and/or consultants, the City Manager shall forward the request for assistance to the City Council and other appropriate parties for review.
5. If the City Council decides to assist in the project, the request will be placed on a Council agenda for an official vote. Council meetings take place on the first and third Mondays of each month. The applicant will be notified in writing if the TIF assistance request has been placed on a Council meeting agenda.
6. Should the City Council decide to assist in the project, a redevelopment agreement between the applicant and the City shall be prepared for final Council approval.

Tax Increment Financing Assistance Application

Project Name _____

Applicant Information

Company Name _____

Business Form: ___ Corporation ___ Partnership ___ Sole Proprietorship

Years in Business: _____ Years a Wood River Business: _____

Contact Person/Title _____

Address _____

City _____ State _____ Zip Code _____

Office _____ Alternate Phone _____ Fax _____

Email _____

Project Information

Address of Proposed Project _____

_____ TIF 1: East Central Business District _____ TIF 2: Business Park

Total Project Cost \$ _____ Amount of TIF Assistance Requested \$ _____

Use of TIF funds

_____ Land Acquisition _____ Professional Services _____ Site Improvements

_____ Infrastructure _____ Rehabilitation/Expansion _____ Financing Cost

_____ Other _____ Parking Lot/Landscaping

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: \$ _____

Most recent equalized assessed valuation (EAV) \$ _____

EAV after redevelopment \$ _____

Project Costs

	Amount (\$)	Source of Funds
Purchase of Land		
Demolition Cost		
Site Improvements		
Purchase of Existing Facility		
Construction of New Building(s)		
Renovation of Existing Structure		
Cost of Installation of Machinery & Equipment		
Architectural & Engineering Fees		
Legal & Other Professional Fees		
Contingency		
Working Capital		
Other (please specify)		
Total Project Costs		

Financing

Source	Amount	Terms: Year/Interest	Contact Information
TIF			
Equity			
Loans from other sources (i.e. lending institutions)			
1			
2			
3			
4			
Total Project Cost			

Please include a narrative that will address the following

1. Description of Business/Company
2. Project Description
 - a.) 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;
 - b.) evaluation of site or other constraints;
 - c.) benefit or service to the community;
3. A request for the City's assistance with the project that specifies the type(s) of assistance needed and why it is needed.
4. Construction start date and timeline for Project Completion.
5. Applicant may need to also submit any additional information such as site plans, environmental studies, marketing studies, business plans, engineering or architectural drawings to be included for review and consideration.

Certification by Applicant

The applicant certifies that it will comply with all the rules, regulations and ordinances of the City of Wood River. 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 City of Wood River, Illinois. Additional cost, above the amount of deposit, incurred by the City for outside professional review or expertise will be the responsibility of the applicant.

Applicant _____

Contact Name/Title _____

Phone _____

Date _____

Return application to:
City of Wood River
Finance Director
111 N. Wood River Avenue
Wood River, IL 62095
Phone (618) 251-3131
Fax (618) 251-3191
www.woodriver.org