

Farmer City Tax Increment Financing District Number Two (TIF #2)

Specific Goal

The goal of TIF #2 is to encourage the healthy economic growth and revitalization of the city's business uses in an appropriate manner.

Specific Objectives

1. Encourage private investment from existing businesses
2. Encourage private investment in new businesses and development through competitive development initiatives to allow the city to compete with other communities and development sites outside the city
3. Encourage existing retail businesses to maintain and improve their properties by encouraging façade renovations and structural improvements
4. Upgrade public facilities in the area, including electrical system, sanitary sewers, storm sewers, street repairs/reconstruction, street lighting, sidewalks, public parking, water system etc.
5. Provide for the necessary site preparation, grading and excavation (if necessary) of property located within the district
6. Assemble properties, when necessary, to coordinate the redevelopment efforts within the district
7. Identify viable reuse potentials for existing structures and properties within the marketplace

Reimbursement policies and procedures

1. Applicant submits a completed application
2. City Manager provides a statement of availability of tax increment funds and city financial condition
3. TIF advisory committee reviews and evaluates a project by criteria and makes recommendations to the city council
4. City council evaluates the project and TIF advisory committee recommendations and then approves, modifies or denies the request for TIF funds
5. City council approves execution of a contract between the city and the developer
6. The city reimburses the developer after the project is complete in accordance with the development contract

Minimum eligibility criteria

1. All taxes are current and any debts owed to the city by the applicant or building owner are paid up-to-date.
2. The property will meet all applicable building, life safety, zoning and maintenance codes upon project completion. Maintenance code violations include peeling paint, boarded windows, abandoned signs, overgrown landscaping, etc.
3. The project is consistent with the comprehensive plan and other existing area plans.
4. The property owner agrees not to protest the assessor's determination of the property value for the properties for which the grant is requested.
5. If the applicant does not own the property, the applicant has the permission of the property owner. Attach a letter from the owner granting the application permission to complete the proposed improvements, and a lease of at least three years or the life of the project, whichever is longer.
6. The project has adequate bank or other financing. Attach a letter of commitment or other evidence of adequate financing.
7. Users must be identified for the project. The city will not consider requests for multiuser projects unless a minimum of 50% of the project space is precommitted. Evidence of commitments includes signed leases or letters of interest.
8. The private enterprise must evidence sufficient private financing and equity to carry out the project. There must be a minimum of 10% owner equity in the project. The city's participation from public revenues will generally be limited to 20% of eligible project costs, determined by the city.
9. The amount of public assistance will be limited to the minimum required to make the project financially feasible.
10. A statement that the property has not received a county real estate tax reduction and that such a reduction has not and will not be applied for if TIF assistance is awarded to the project.
11. The project's reimbursable expenses are within the maximum annual funding limits, as established by the city council.

Necessary information

1. Sources and uses of funds for the project. The sources of funds should include equity, lender financing, and other financing.
2. Ownership structure, resumes of the principals (with completed principal profile data), financial statements of the applicant, and narrative about experience with similar projects.
3. Most recent equalized assessed valuation (“EAV”), estimate of EAV after redevelopment.
4. Business plan, which will include:

Development of project requests to the city should include two copies of the following information:

1. Brief description of project (location, square feet, types of uses, etc.)
2. Background of company/developer (and identification of experience with similar projects)
3. Name and address of ownership/applicant entity (include phone, fax numbers and e-mail address, if available.)
4. Project budget, including sources and uses of funds (identify private financing commitments)
5. Amount of TIF assistance required and identification of TIF eligible costs
6. Project timetable
7. Preliminary site plan or layout
8. Copies of current property tax bills
9. Job estimates and payroll estimates
10. Other public benefits--sales tax estimates, job training opportunities, etc.
11. If the project has tenants, copies of the leases or letters of intent are required

Eligible costs

Private investments, which supplement redevelopment project costs, are expected to exceed such redevelopment project costs substantially. Eligible costs permitted under the Illinois Tax Increment Allocation Redevelopment Act (the act) which may be pertinent to this redevelopment plan and project include, but are not limited to:

Rehabilitation or repair of existing public or private buildings: Costs of rehabilitation, reconstruction, repair, or remodeling of existing buildings and fixtures.

Land assembly: Certain properties in the TIF district may be acquired and assembled into an appropriate redevelopment site.

Demolition and site preparation: The existing structures located within the TIF district may have to be reconfigured or prepared to accommodate new users or expansion plans. Complete or partial demolition may be necessary along with the removal of debris. Additionally, the redevelopment plan contemplates site preparation or other requirements related to environmental remediation necessary to prepare sites for the desired redevelopment.

Landscaping/buffering/streetscaping: The city may fund certain landscaping projects which serve to beautify public properties or rights of way and provide buffering between land uses.

Electrical, sanitary sewer, storm sewer and water system improvements: The city may extend, upgrade, or reroute certain utilities to serve or accommodate the new development. The provision of necessary detention or retention ponds may also be undertaken by the city.

Street/alley/parking improvements: Reconstruction of existing streets and alleys and/or vacation of streets and alleys. Related curb, gutter, and paving improvements along with drainage may be constructed as needed. Provision of parking facilities or improvements may also be undertaken.

Interest rate write-down: The city may pay for specific interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the TIF district as allowed under the act.

Job retraining programs: 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.

Professional services: The city may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation.

Evaluation criteria

For each criterion below, check the box if you believe it applies to your project and attach the required documentation to the application. The applicant must provide documentation supporting which criteria the project may meet.

Number of Criteria Met by Project	Grant % (of permanent improvements)
1	0%
2	5%
3	10%
4	15%
5-8	20%

Points	Criteria
	Unless otherwise noted, each criterion is worth one point.
	<p>1. Infill development Does the project include new construction or a building expansion on vacant or underutilized land? Parking does not qualify. (two potential points for new construction)</p>
	<p>2. Building reuse (cannot be used with infill development criterion) Does the project result in the reuse of vacant or underutilized floor space and/or a new business to the area?</p>
	<p>3. Facade improvements Are substantial improvements to the outside of an existing building a part of the project?</p>
	<p>4. Site aesthetic improvements Are substantial aesthetic improvements to the site, including green space and buffering beyond those required by the zoning code, part of the project? (two points possible)</p>
	<p>5. Code improvements Are at least 25% of the eligible costs attributable to building and life safety code improvements?</p>
	<p>6. Comprehensiveness of project (not new construction) Does the project substantially improve 75% or more of the existing building square footage?</p>
	<p>7. Community needs The city determines that the service or products of the potential business will fulfill currently unmet needs of the residents of Farmer City.</p>
	TOTAL CRITERIA MET _____

Terms found in the TIF Application

Area plan - the TIF plan, adopted by the city council in 1999.

Building - any structure that is occupied or intended for occupancy and which is completely separated from other buildings by firewalls.

Code improvements - such permanent improvements that mitigate building, life safety, fire, nuisance, or zoning code deficiencies.

Permanent improvements - those improvements which are permanently affixed to the building and/or site and which do not restrict the future use of the building.

Comprehensive plan - the city of Farmer City has not exercised its planning authority and has left planning up to DeWitt County. The comprehensive plan is a document adopted by the county commission which outlines a vision for the city's future. Citywide goals, objectives, and policies are provided, in addition to a future land use map.

Eligible improvements - those improvements which are permanently affixed to the building and/or site and which is not specific to the use and do not restrict the future use of the building. Some examples are: life safety and Americans with Disabilities Act accessibility code requirements; repair/replacement of roof, floors, structural walls or windows; repair/replacement of electrical, plumbing, heating or cooling system; installation of an elevator, sprinkler, fire or smoke alarm system; interior painting; exterior tuck pointing; and parking lot paving or landscaping.

Facade - the exterior building face that is visible from the street. Generally means such building face(s) having frontage on a public street.

Project - the building, site, or portions thereof.

Property - building(s) and/or parcel(s) of land having a single use or ownership.

Substantial - generally agreed upon by the TIF advisory committee as notable, meaningful, easily apparent to the eye.

Tax Increment Financing (TIF) District - an economic development tool allowed by state legislation and administered by the city.

The increment, or difference, between the property tax revenue generated before the district establishment and the amount of property tax revenue generated after the districts establishment is used to fund improvements within the TIF districts. This allows local government to invest substantially in deteriorating areas without using general fund revenues. TIF districts have a life of 23 years. After the 23rd year, the property value is generally much higher.

Tenant finish - those improvements which are related to the use of the building.

Underutilized - unoccupied for one year or used only for storage (this does not include building constructed expressly for storage).

Vacant - unoccupied for one year or more.

Community needs - need as established by the current TIF advisory committee and verified by the city council.

Site aesthetics - include additional greenspace, trees, and/or other natural plantings. Emphasis should be placed on buffering between residential and commercial properties.

TAX INCREMENT FINANCING ASSISTANCE APPLICATION

Note that applications must be reviewed and approved before the project begins. Any costs incurred before the project is approved are not eligible for TIF funds. Also, if there is a significant change in the scope of the project after the application has been approved, the applicant must reapply with the scope of the new project.)

Applicant Information

Applicant name _____

Business name _____

Mailing address _____

Applicant phone number _____ Fax number _____

E-mail address _____

Grant recipient's name _____

Grant recipient's Social Security number OR
Federal employer identification number (FEIN) _____

Type of business entity
 individual corporation
 partnership other

Building information (please attach a copy of the deed to the property)

Building name _____

Building address _____

How is the title to the property held?
 individual corporation land trust
 partnership limited liability company other

Same as grantee? yes no

Name(s) of property owner(s) _____

(NOTE: All beneficial owners of a land trust, members of a limited liability company and partners in a partnership must be listed.)

Owner(s) telephone numbers _____

Property information

Property index number(s)

Project information

Current use(s)

General project description:

Project financing

_____ bank _____ private _____ other _____

Bank name _____

Bank address _____

Bank contact _____

Contact's telephone number _____

Escrow agent (if applicable) _____

Escrow institution _____

Escrow institution's address _____

Escrow agent's telephone number _____

Received (date) _____

Applicant's signature _____