

City of Clinton, Illinois
TIF Redevelopment Agreement



Application
for TIF Assistance

City of Clinton
TIF Administration Department
(217) 935-6552

CITY OF CLINTON, ILLINOIS
APPLICATION FOR TAX INCREMENT FINANCING (TIF) ASSISTANCE
PRIVATE REDEVELOPMENT INCENTIVE

Complete this form in its entirety and attach all necessary documents. Submit the completed application to City Hall at 118 W. Washington, Clinton, Il 61727. If you have any questions contact Tim Followell, City Administrator at 217-935-6552 or by email at followell@clintonillinois.com

Applicant Name: _____

Business Name: _____

Mailing Address: _____

Applicant Interest in property (check one): Owner/Mortgagor Purchaser Tenant

Applicant Phone Number: _____ Fax: _____

Email Address: _____

I would like to receive correspondence by: Mail Email Phone

Applicant Social Security Number: _____ OR

Federal Employer Identification Number (FEIN): _____

Type of Business Entity:

Individual Corporation Partnership Other

I am applying for a \$ _____ TIF reimbursement Loan Grant

Project Category:

New Business Construction Business Relocation/Expansion/Rehabilitation

Façade Restoration Grant or Loan Emergency Structural Repairs

ADA, Life Safety, Building Code, and Electrical Rehabilitation

Building Name: _____

Building Address: _____

How is the property title held to the property?

Individual Corporation Land Trust Partnership

Limited Liability Company Other

1. Name(s) of property owner(s): _____
(All Trustee(s), Trust Beneficiary(ies), beneficial owners of a Land Trust, managers and members of a limited Liability Company, partners in a partnership, and shareholders of a corporation must be listed.)

Owner(s) phone: _____

If the grantee is not the same as the owner, explain: _____

2. Building Data:

	TOTAL	ADDRESSED BY PROJECT
Site square footage	_____	_____
Building square footage	_____	_____
Number of floors in building	_____	_____
Approximate year constructed	_____	_____
Real Estate Taxes Paid	_____	Yr. Pd. _____

3. Current Use:

4. General Project Description and/or Proposed Use:

5. Is the proposed use permitted under the current zoning classification applicable to the property? If not, will a zoning change or special use permit be required?

6. Identify the proposed tenants of the project. Indicate whether leases have been negotiated and provide the status of any such negotiations.

7. Who will own the developed property?

8. Provide a brief description of the public benefit to the City resulting from the development of the proposed project including improvements to any public infrastructure and economic quality of life issues for the TIF area.

9. Discuss how the proposed project addresses the objectives and project activities set forth in the City of Clinton TIF Redevelopment Plan including an explanation as to how the project will eliminate or mitigate blighting conditions in the downtown area.

10. Describe how the proposed project will stabilize the surrounding area and promote additional development in adjacent areas.

11. Provide an estimate of the total number of jobs to be created or retained by the proposed project, including salary ranges.

a. Present Number of Employees Full Time _____ Part Time _____

b. Anticipated Number of Employees Full Time _____ Part Time _____

c. List job classifications, salary ranges, and number of hours each job classification is expected to work:

12. If the proposed project includes commercial uses, explain how the project will encourage the inflow of customers from outside the city's downtown.

13. Project Financing:

a. Description of construction/renovation cost estimate for project:

1. Applicable to Project Yes No

2. Item Description _____ Costs _____

Item Description _____ Costs _____

Item Description _____ Costs _____

b. Description of Machinery/Equipment Acquisition for project

1. Applicable to Project Yes No

2. Item Description _____ Costs _____

Item Description _____ Costs _____

Item Description _____ Costs _____

c. Description of Furniture/Fixture Acquisition for project

1. Applicable to Project Yes No

2. Item Description _____ Costs _____

Item Description _____ Costs _____

Item Description _____ Costs _____

14. Sources and Uses of Funds

	City TIF	Bank	Owner Equity	Other
Land Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
Building Acquisition	\$ _____	\$ _____	\$ _____	\$ _____
Façade Improvement	\$ _____	\$ _____	\$ _____	\$ _____
Architectural	\$ _____	\$ _____	\$ _____	\$ _____
Building Rehab	\$ _____	\$ _____	\$ _____	\$ _____
Equipment/Fixtures	\$ _____	\$ _____	\$ _____	\$ _____
Furnishings	\$ _____	\$ _____	\$ _____	\$ _____
Emergency Repairs	\$ _____	\$ _____	\$ _____	\$ _____

15. Collateral Description:

List the following for collateral that will be offered for security for the City TIF Loan.

Name	Value
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

16. Development Experience

Please provide a bio on the Landowner/Developer and key principals, which includes how long has the Landowner/Developer been developing real estate, how many units since inception has the Landowner/Developer developed and a list of projects developed or in process.

17. Legal

Has the Developer or Landowner, or entity owning an interest in the Developer or Landowner, or any affiliate of the Developer or Landowner:

- Been charged or convicted of a felony or misdemeanor?
 YES NO

- Been delinquent or in default on any loans, lines of credit or other obligation related to the development or other projects?
 YES NO If YES, provide information.

- Filed for bankruptcy or been declared bankrupt?
 YES NO If YES, specify date and location of court where bankruptcy action took place

- Been the party to any lawsuit or claim regarding the Development or Property?
 YES NO Is there any other material litigation, threatened or actual, not related to the property? YES NO If YES, please attach a copy of the complaint, or if unavailable, please list the court in which the action is pending and the case number or if the claim or action has not yet been filed please attach all documents summarizing the claim or action.

- Are there any other foreseeable circumstances not described above that could prevent or significantly delay the proposed development of the Property?
 YES NO If YES, please explain.

18. Documents to be included.

Please provide a copy of the following documents:

1. Documents indicating legal structure including: partnership agreements, operating agreements, articles of incorporation or organization and bylaws, or other such relevant documents.
2. Any agreements with merchant builders or others to option or purchase any land or lots within Development.
3. Any agreements with any land bank or seller regarding delivery of land or land financing.
4. Environmental studies or reports.
5. Most recent tax bill.
6. Most recent title report. Must include a legal description of the property.
7. Any notes, loan or security agreements concerning the property.
8. Any development or joint venture agreement.
9. Document which grants zoning authority to develop the Development
10. Site plan approval document and Site plan map
11. Any marketing materials to be provided to prospective purchasers

- 12. Any Appraisal prepared.
- 13. Developer financials.
- 14. Project ProForma.

The undersigned has applied for the grant or loan described in this application and the proceeds of said grant/loan will be used in connection with the project described herein. The applicant agrees to abide by all City of Clinton, Illinois TIF requirements. The applicant agrees to furnish information listed as application attachments and any additional information to the City as needed to review and consider this request.

By execution of this application, Applicant acknowledges and consents for the City to conduct any and accredit history checks it deems necessary and appropriate.

Applicant's Signature

Title

Date

Summary Letter

Provide a summary of the project in the form of a letter addressed to the City Administrator. The letter should not exceed two (2) pages in length and should include only the following essential information about the project:

- Description of site or building, including address and TIF District
- Current and proposed uses
- Description of end users
- Project start and end dates
- Name of developer and owner
- Total development costs
- Overview of private-sector financing
- Amount of TIF assistance requested
- Statement regarding why TIF is essential
- Summary of increment projections
- Profitability
- Description of public benefits, including job creation

Project Financial Information

Sources and Uses of Funds

Identify the sources of funds used to finance the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing. Describe the sources of equity. Include a term sheet for lender financing, if available.

Be aware that TIF assistance is generally available as a reimbursement after the project is complete. Thus, the project budget must identify the up-front sources intended to finance the development costs of the project. If determined, specify the specific line items of the project budget that each source will finance.

Summarize the uses of funds. General categories to be identified include: acquisition and related site costs, hard construction costs, and a breakdown of soft costs.

All projects must include for the construction phase a monthly or quarterly cash flow (i.e., sources or “cash in” by source, and uses or “cash out” by use).

For-sale housing developments must show income from the rental or sale of commercial space, the sale or rental of parking spaces, and unit upgrades must be included. Clearly identify all assumptions (such as absorption, sales prices, taxes, etc.). Identify the profit expected at the completion of the project.

Applicants are advised that to the extent possible, sales contracts for land acquisition should not be executed until CITY and the Applicant have agreed on an amount of TIF assistance to be provided. This is because purchase price of a development site to be acquired or recently acquired will be reviewed to determine whether or not that price exceeds the property's current market value. Market value sets the upper limit of

acquisition costs that will be considered in the estimation of TIF assistance. CITY will review any market value appraisal submitted in support of an acquisition, and the department may obtain its own appraisal or review appraisal.

Development Budget

Provide an accurate and detailed development budget for the project that includes a detailed breakdown of significant line item costs consistent with the sample included in the application packet. The budget should be arranged to identify acquisition and site related costs, hard costs, and soft costs. Also, identify all line items that are performed by the developer, owner, or related entities.

Request for TIF Assistance

Specifically state the amount of TIF assistance that is necessary to make this project possible. Also specify the terms of payment (e.g. pay-as-you-go or developer note) and how the developer will fund project costs that will be reimbursed with TIF increment after those project costs have been incurred. For example, will the developer provide additional equity or borrow additional funds to “front-fund” the TIF assistance?

Budget of TIF Eligible Expenses

Identify which of the development budget costs are eligible for reimbursement as allowed by the Illinois TIF Act

Pro Forma Income and Expense Schedule

Applicants whose projects involve the rental of commercial, retail, industrial, or dwelling space must submit pro formas that identify income and expense projections on an annual basis for an eleven-year period. A hypothetical property reversion is to be assumed. Clearly identify all assumptions (such as absorption, vacancies, debt service, operational costs etc.) that serve as the basis for the pro formas. Two sets of pro formas are to be submitted. The first set should show the project without TIF assistance and the second set with TIF assistance.

For owner-occupied industrial and commercial projects, detailed financial information must be presented that supports need for financial assistance (see below).

Analysis of Financial Need

Each application must include financial analyses that demonstrate the need for TIF assistance. Two analyses must be submitted: one without TIF assistance and one with TIF assistance. The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and rationale for this minimum return or profit. The analyses will necessarily differ according to the type of project that is being developed.

Rental Property – For projects involving the rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies, and households), an internal rate of return on equity must be computed with and without TIF assistance based on the pro forma of income and expense prepared for item **Pro Forma Income and Expense Schedule.**)

The reversion at the end of the ten-year holding period must be based on the capitalized 11th year net operating income. The reversionary value is then added to the 10th year cash flow before discounting to present value. State all assumptions to the analyses.

For Sale Residential – Show profit as a percent of projects cost (minus developer fee and overhead and minus sales commissions and closing costs, which should be subtracted from gross sales revenue). Other measures of profitability may be submitted, such as profit as a percent of sales revenue.

Mixed Use Commercial / For-Sale Residential – Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

Owner-Occupied Commercial – For projects, such as “big-box” retail projects, provide copies of the analyses that the company used to determine the amount of TIF assistance that would be needed to allow the company to meet or exceed the company’s minimum investment threshold(s) for proceeding with the project.

Competitive Projects – In instances where the City is competing with other jurisdictions for the project (e.g., corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in and locations outside the City that are being seriously considered by the applicant.

TIF Performance Measures

Identify the performance outcomes of the requested TIF assistance. Actual performance will vary from project to project. Typical performance measures of TIF assistance include:

- TIF assistance as percentage of total project costs
- TIF assistance as percentage of increment generated by project
- Ratio of public (TIF) to private investment
- TIF assistance per FTE job created
- TIF assistance per FTE job retained

Increment Projections

Include projections of the incremental taxes that will be generated by this project for the remaining life of the TIF District. Clearly identify all assumptions considered in these projections.

When staff reviews these projections, the following assumptions are typically considered. Provide a concise explanation if your assumptions differ.

- Base EAV as certified by DeWitt County, Illinois
- Full reassessment of project occurs at least 1-year after project completion (may be distributed for phased projects)
- Most recent tax rate and multiplier used for all future years
- 95% collection rate
- 10% of increment retained for City administration and management of the TIF district
- NPV calculated at three reasonable discount rates

Financial Commitments

Submit commitment letters and/or terms sheets and/or terms sheets from all lenders for proposed debt (such as construction, permanent, and government financing) and all other financial sources of the project (such as grants, and tax credits). Commitment letters must clearly specify the nature and terms of the obligations.