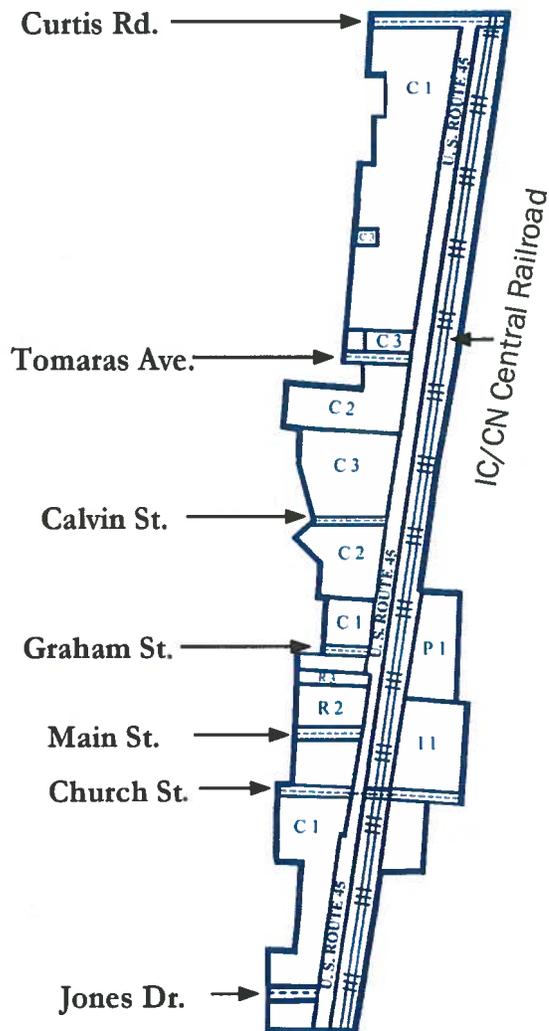


VILLAGE OF SAVOY

Tax Increment Finance Guidelines



The ultimate goal of any T.I.F., whether commercial or industrial, and regardless of location, is to encourage healthy economic growth in the community.

Specific Goal:

In particular, the goal of an “Old Town” T.I.F. District is to encourage the healthy economic growth and revitalization of the Village’s business uses in an appropriate manner.

General Objectives:

- 1) Improve the taxable base of the business district.
- 2) Improve the appearance of the business district.
- 3) Improve the facilities and services to the business district.

Specific Objectives:

- 1) Encourage private investment from existing businesses.
- 2) Encourage private investment in new businesses and developers through competitive development initiatives in order to allow the Village to compete with other communities and development sites outside the Village.
- 3) Encourage existing retail businesses to maintain and improve their properties by encourage façade renovations and structural improvements.
- 4) Encourage the development of a comprehensive design and plan for “Old Town” Savoy including a common theme or coordinated appearance/design features.
- 5) Encourage the planning and improvement of the public facilities in the area. Infrastructure improvements could include sanitary sewer, storm sewer, street repairs/reconstruction, street lighting, sidewalks, public parking, etc.
- 6) Improve the necessary infrastructure and related public improvements.
- 7) Provide for the necessary site preparation, grading, and excavation (if necessary) of property located within the RPA.
- 8) Assemble properties, when necessary, in order to coordinate the redevelopment efforts within the RPA.
- 9) Identify viable reuse potentials for existing structures and properties within the marketplace.

Reimbursement Policies and Procedures

- Application completed by applicant.
- Village Administrator to provide statement of T.I.F. fund and Village financial condition.
- Economic Development Commission to review and evaluate project by criteria and recommend to the Board of Trustees.
- Board of Trustees to evaluate project and Economic Development Commission recommendations, then approve or deny the request for T.I.F. funds.
- Board of Trustees to execute a contract between the Village and the Developer.
- T.I.F. funds are paid after the project is complete, per the contract and conditions.

Eligible Costs

Private investments, which supplement “Redevelopment Project Costs”, are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project includes but is 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 RPA may be acquired and assembled in to an appropriate redevelopment site.

Demolition and Site Preparation: The existing structures located within the RPA may have to be reconfigured or prepared to accommodate new users or expansion plans. Partial demolition may be necessary as well as 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 Village may fund certain landscaping projects which serve to beautify public properties or rights of way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: The Village may extend, upgrade, or re-route certain utilities to serve or accommodate the new development. The provision of necessary detention or retention ponds may also be undertaken by the Village.

Roadway/Street/Parking Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed by the Village. Related curb, gutter, and paving improvements could also be constructed as needed. Provision of parking facilities or improvements may also be undertaken.

Interest Rate Writedown: The Village may pay for certain 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 RPA 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 Village may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation.

Minimum Eligibility Criteria

1. Any debts owed to the Village 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 Village will not consider requests for multi-users projects unless a minimum of 50% of the project space is pre-committed. 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 Village's participation from public revenues will generally be limited to 80% of eligible project costs determined by the Village.
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 T.I.F. assistance is awarded to the project.
11. The project's reimbursable expenses are within the maximum annual funding limits, established by the Board of Trustees.

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.

Development of Project requests to the Village should include two copies of the following information:

1. Brief Description of Project (location, sq ft., 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 and fax numbers).
4. Project budget including sources and uses of funds (identify private financing commitments).
5. Amount of T.I.F. assistance required and identification of T.I.F. 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, then copies of the leases or letters of intent are required.

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 T.I.F. funds. Also, if there is a significant change in the scope of the project after the application has been approved, the applicant must re-apply with the scope of the new project.)

Applicant Information

Applicant Name: _____

Business Name: _____

Mailing Address: _____

Applicant Phone Number: _____ Fax Number _____

Grantee Name: _____

Grant recipient Social Security Number OR

Federal Employer Identification Number (FEIN): _____

Type of Business Entity:

Individual

Corporation

Partnership

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

Building Name: _____

Building Address: _____

How is the title held to the property?

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) phone: _____

Property Information

Property Index Number(s): _____

	TOTAL	ADDRESSED BY PROJECT
Site square footage:	_____	_____
Building square footage:	_____	_____
Number of floors in building:	_____	_____

Project Information

Current Use: _____

General Project Description: _____

Project Financing: Bank _____ Other _____
Private

Bank Name: _____

Bank Address: _____

Bank Contact: _____

Contact Phone Number: _____

Escrow Agent: (if applicable) _____

Escrow Institution: _____

Institution Address: _____

Agent Phone Number: _____

Received (date) _____	Applicant Signature _____
Reviewed (date) _____	Staff Signature _____

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	15 %
3	35 %
4	60 %
5-8	80 %

In projects where investment amounts to \$10 million or more or the number of jobs created and/or retained is 50 or more, the applicant may request more than the maximum above. The final amount will be negotiated to a maximum not to exceed 95% and final approval given by the Savoy Board of Trustees.

Points	Criterion
	1. Infill Development Does the project include new construction or a building expansion on vacant or underutilized land? (Parking not included.) (2 potential points for new construction.)
	2. Building Reuse <i>(Cannot be used with Infill Development Criterion)</i> Does the project result in the reuse of vacant or underutilized floor space and/or a new business to the area?
	3. Facade Improvements Are substantial improvements to the outside of an existing building a part of the project?
	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)
	5. Code Improvements Are at least 25% of the eligible costs attributable to building and life safety code improvements?
	6. Comprehensiveness of Project <i>(not new construction)</i> Does the project substantially improve 75% or more of the existing building square footage?
	7. Community Needs The Village determines that the service or products of the potential business will fulfill currently unmet needs of the residents of Savoy.
	TOTAL CRITERIA MET _____

Terms found in the T.I.F. Application

Area Plan - *The T.I.F. Plan, adopted by Village Board of Trustees in 1999.*

Building - *Any structure that is occupied or intended for occupancy and which is completely separated 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 - *This is a document adopted by Village Board of Trustees that outlines a vision for the community's future. Village-wide 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 does 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 paint, exterior tuckpointing, 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 Staff review team 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 Village. The increment, or difference, between the amount of sale and/or property tax revenue generated before the district establishment and the amount of sales and/or property tax revenue generated after the district's establishment, is used to fund improvements within the TIF districts. This allows local governments 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 or used only for storage for one year or more.*

Vacant - *Unoccupied for one year or more.*

Community Needs - *Need as established by the current Economic Development Commission, and verified by the Board of Trustees.*

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

