



Southtown Tax Increment Financing District
Application for Project Funding

INTRODUCTION

The City of Peoria is seeking applications from businesses, neighborhood groups, community organizations and units of government for funding from the Southtown Tax Increment Financing (TIF) Fund. The Southtown TIF District was established in 1978 in an effort to stop the decline in property values in the TIF project area. The TIF will end in 2013.

The City has been working with a committee of stakeholders in Southtown to allocate available funding to help further the goals of redevelopment within the project area. The City will be accepting applications from interested parties until 4 p.m. on **Friday, August 24, 2012**. It is the intent of the City that submitted projects will be evaluated by the stakeholder committee during the week of August 27, 2012 and that a recommendation for funding will be submitted to the City Council for approval at their September 11, 2012 regular meeting.

EVALUATION CRITERIA

Applications for funding will be evaluated based in two areas:

Eligibility

The funding requested must meet the regulations set forth within the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/Art. 11 Div.). The City of Peoria is responsible for making the final determination on eligibility. Projects must meet the following eligibility requirements:

- A. **Location:** The project must be located completely within the Southtown TIF. A map of the Southtown TIF is attached. Applicants must provide the City with Parcel Identification Numbers (PINs) for all property involved in the project.
- B. **Costs:** All costs for which funding is requested must be eligible for payment with TIF funds. A list of eligible categories is attached. Applicants may wish to submit information on the entire project's budget, but must clearly indicate which costs are to be paid with TIF funds and under which category (#1 through #15) the cost is eligible. City staff is available to consult with applicants on the eligibility of costs. For this funding opportunity, it is anticipated that the most frequently applicable categories will be:
 - #1: Costs of studies and surveys, development of plans ...
 - #3: Property assembly costs ...
 - #4: Costs of rehabilitation of existing public or private buildings ...
 - #5: Costs of the construction of public works...
 - #7: Financing costs....
- C. **Evidence of Site Control:** Applicants must demonstrate that they have control of the property site, as evidenced by deeds, title policies, options or real estate sales contracts.

Impact

The City is seeking to award funding to projects that may have the largest impact on the community. While the emphasis is on the Southtown area itself, the City also recognizes and values the impact projects can have on the entire City. Projects will be evaluated on a 100-point scale. Project narratives should address the following criteria:

- A. **Breadth (30 points):** How many citizens will be impacted by this project? Projects that provide the broadest impact to the most number of people will be evaluated higher than projects with a more limited impact.
- B. **Community (20 points):** How will the community benefit from spending public dollars on this project? Applicants should be as specific as possible (i.e. number of new clients served, capacity increased, recreation opportunities expanded, etc.).
- C. **Leverage of Other Resources (20 points):** What portion of the overall project budget is represented by TIF funds? How are local TIF funds being used to leverage private or public dollars?
- D. **Jobs Created (5 points):** How many jobs will be created during construction? Once the project is completed?
- E. **Financial Impact (15 points):** What new public revenues will be generated by the project?
- F. **Feasibility (10 points):** Does the applicant have a plan that can be executed, as described, in the time allotted? Is the plan itself feasible? Does the applicant have the resources to complete the project and handle contingencies?

OTHER INFORMATION

Applicants should be aware of the following additional items:

- All Southtown TIF funds must be obligated by November 20, 2013 and spent by November 20, 2014. Applicants should indicate within their application when funds will be required. Applicants can request funds in 2012, 2013 or 2014. The City will accept for consideration projects that require funds over multiple years.
- In preparing the budget, please note that the use of TIF funds on any project will require adherence to the Illinois Prevailing Wage Act and local Equal Opportunity ordinances.
- The City may choose to make partial awards for less funding than requested. Applicants should discuss within their narrative how they would proceed with a smaller award (i.e. could project proceed, elements that would be not be completed, etc.).
- Final decision on funding will be made by the Peoria City Council.

SUBMISSION INFORMATION

Submit the attached application form, project narrative, budget information and any supplemental material no later than Friday, August 24, 2012 at 4 p.m. to:

Christopher Setti
City of Peoria
419 Fulton, Suite 207 • Peoria, IL 61606
csetti@ci.peoria.il.us
phone (309) 494-8618 • fax (309) 494-8556



Southtown TIF Funding Request

Project Title: _____

Requesting Organization: _____

Total Project Budget: _____ **Requested Funds:** _____

Project Address (or description): _____

Parcel Identification Number(s): _____

Brief Project Description (50 words or less):

Primary Contact Name: _____ **Title:** _____

Address: _____ **City, Zip:** _____

Phone: _____ **Email:** _____ **Fax:** _____

I hereby acknowledge that all information presented within this application is truthful and accurate.

Signature

Date

Additional Attachments: Please include the following items along with this completed application form:

- **Project narrative:** Describe the project and its impact on the community and demonstrate the applicant's capacity to complete.
- **Project budget:** This should show both the total project and the budget for the TIF request.
- **Budget narrative:** Briefly identify under which category requested funds are eligible under the TIF law. Also identify the sources of funding the remainder of the project (if any).
- **Supporting documentation (optional):** Site plans, renderings, etc.

Tax Increment Financing (TIF) Eligible Project Costs:

Redevelopment project costs include the sum total of all reasonable, or necessary, costs incurred, or estimated to be incurred, and any such costs incidental to the Plan pursuant to the Act. Eligible costs may include, without limitation, the following:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses) provided however, that no charges for professional services may be based on a percentage of the tax increment collected and the terms of such contracts shall not extend beyond a period of three years. Redevelopment project costs may not include general overhead or administrative costs of the City that would still have been incurred if the City had not designated a redevelopment project area or approved a redevelopment plan.
2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors.
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost of replacing an existing public building, if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Costs of the construction of public works or improvements, subject to the limitations in Section 11-74.4-3 (q) (4) of the Act.
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
7. 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 thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and including reasonable reserves related thereto.
8. To the extent the City by written agreement accepts and approves the same, 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 Plan.
9. Relocation costs, to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by state or federal law or in accordance with the requirements Section 74.4-3(n)(7) of the Act.
10. Payment in lieu of taxes, as defined in the Act.
11. Costs of job training, retraining, 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 the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City 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, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the developer for such redevelopment project, plus (ii) Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
 - (e) up to 75 percent of the interest cost described in subsections (b) and (d) above incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low income households, as defined in Section 3 of the Illinois Affordable Housing Act.
13. An elementary, secondary or unit school district's or public library district's increased costs attributable to housing units assisted by the City through implementation of this Plan may be reimbursed as provided for in the Act.
14. Instead of the eligible costs provided for in 12(b), 12(d) and 12(e) above, the City may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low-income and very low-income households shall be eligible for benefits under the Act.
15. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the City, county or regional median income adjusted for family size, as the annual income and City, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development (HUD).

Unless explicitly provided in the Act, the cost of constructing new privately-owned buildings is not an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.