

**TIF AND SALES TAX
FINANCIAL ASSISTANCE
APPLICATION PACKET
PART 1 OF 2**



CITY OF ST. CHARLES



City of St. Charles Tax Increment Financing (TIF) and Sales Tax Assistance Application Packet

Dear Applicant:

This packet is the first of a two-part process. Once the applicant's proposal has been discussed at the pre-application meeting, he / she will be given part 1 of 2 incentive application if the project meets the policy requirements listed in the Economic Incentive Policy. This packet contains information and materials necessary for submitting an application for either tax incremental financing (TIF) or sales tax assistance from the City of St. Charles

This packet includes the following:

- Overview;
- TIF / Sales Tax Assistance Application Instructions;
- TIF / Sales Tax Application Checklist;
- Principal Profile;
- Job Creation and / or Retention Activities;

If any of these items are missing from your packet, please contact the Economic Development Division (EDD) at (630) 443-4093.

Please note that the items in this packet are updated periodically. Please check with the Economic Development Division or city website for updates before making a formal submission for TIF or sales tax assistance.



City of St. Charles Tax Increment Financing (TIF) and Sales Tax Assistance Application Packet

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City of St. Charles Tax Increment Financing (TIF) and Sales Tax Assistance Application Packet

OVERVIEW

The Economic Development Division (EDD) reviews all applications for tax incremental financing (TIF) and sales tax assistance. The process outlined below usually takes at least six months, with more complex projects typically requiring more time to review and approve.

1 Convene Introductory Meeting Prior to Formal Submission of Application.

Prior to preparation of a formal TIF or sales tax application, the prospective applicant should request a meeting with the appropriate EDD and Community Development Department (CDD) staff to discuss the concept of the potential project and its scope as well as to obtain general information.

2 Submission and Review of TIF or Sales Tax Application.

The EDD requires submission of a formal application for TIF or sales tax assistance in order to consider an applicant's request for assistance. TIF assistance may only be used to pay for eligible costs in accordance with the applicable Illinois Statutes. Sales tax assistance may be used as agreed upon in the agreement between the City of St. Charles (the City) and applicant in accordance with the state statute (65 ILCS 5/8-11-20). An application must include all items referenced in the TIF / Sales Tax Application Instructions. TIF and / or sales tax applicants are required to demonstrate a financial need for assistance as well as indicating the public benefit. If the applicant has satisfied all requirements related to the policy and Part 1 of the application, at the sole discretion of the City, the applicant will be issued Part 2 of the application.

If approved by the City Council, an initial fee of five percent (5%) or \$50,000, whichever is lower, of the requested TIF and / or sales tax assistance, shall accompany any incentive request. This fee shall be used to cover the City's legal, administrative, and planning costs. Outside consultants hired by the City shall be paid for by the applicant and will not be considered a part of the fee. In addition, if an additional amount of money is required to reimburse the City for its related costs, the applicant shall be responsible for such costs. If any portion of the fee is not utilized, the City will refund the amount to the applicant.

3 Prepare and Negotiate Term Sheet.

This document spells out the business terms and conditions associated with the proposed TIF or sales tax assistance.

4 Present Proposed Plan to Council Committee.

5 Draft and Negotiate Agreement with City. Note: This agreement does not constitute any zoning entitlements or plan approvals.

6 Present Agreement to the City Council for approval. The agreement will not be considered valid until executed.

7 Implement Project / Payout Funds.



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TIF / SALES TAX ASSISTANCE APPLICATION INSTRUCTIONS

The Economic Development Division (EDD) will review all applications for TIF and / or sales tax assistance. The EDD Division will solicit input from other City staff during the review process, as deemed necessary. In order for the EDD to effectively evaluate a request for TIF or sales tax assistance, the applicant must:

- Provide all applicable items in a single submission;
- Organize the submission and present the required information in the manner indicated below; and
- Provide five (5) copies of the submission.

Failure to provide all required information in a complete and accurate manner could delay processing of the application. The EDD reserves the right to reject applications that lack all required items.

General Project Information

1 Summary Letter

Provide a summary of the project in the form of a letter addressed to the EDD. The letter should include the following essential information about the project:

- Description of site or building, including address and TIF District if applicable
- 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 or sales tax assistance requested
- Statement regarding why TIF or sales tax is necessary
- For TIF applicants, provide a summary of increment projections
- Profitability
- Description of public benefits, including job creation

2 Project Narrative

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.
- Proposed use(s) of project (e.g. industrial, commercial, retail, office, or mixed-use).
- Construction information about the project including: size of any existing structure to be demolished or rehabbed; size of any new construction; types of construction materials (structural and finish); delineation of square foot allocation by use; total number and individual square footage of residential units; type of residential units (e.g. for-sale, rental, condominium); number of affordable residential units; degree of affordability of residential



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units (i.e. 100% AMI, 80% AMI, 60% AMI); number and type of parking spaces; and construction phasing.

- For TIF assistance, confirm that this project is consistent with the goals and objectives identified in the applicable TIF Redevelopment Plan. Copies of TIF Redevelopment Plans are available through the City.
- A summary of proposed "green" features to be included in the project. Projects that receive TIF assistance are strongly encouraged to, but not required to include environmentally friendly features. However, when appropriate, include details regarding the type and extent of green roof or other environmental elements that will be provided and the degree of LEED certification, or equivalency, that will be obtained.

Detailed Project Information

3 Project Timeline

A comprehensive project timeline is required. Include anticipated dates for site acquisition or lease, project start and completion, as well as other project milestones. Multi-phase projects must include details for each phase. The timeline should also identify any critical or time-sensitive dates as well as any time constraints facing the Applicant.

4 Public Benefits

Fully describe the public benefits that can be realized by the completion of this project. Projects with a high degree of public benefit are typically more likely to receive TIF or sales tax assistance. Examples of public benefits include, but are not limited to the following:

- Creation of affordable housing
- Creation of new permanent jobs
- Creation of new retail choices in an underserved segment of the community
- Catalyst for new private investment
- Re-occupancy of a vacant building
- Elimination of blight
- Incorporation of environmentally friendly features
- Increased sales tax revenue
- Increased property tax revenue
- Job-training opportunities

This statement should include qualitative examples of public benefits as well as quantifiable and measurable outcomes of the short-term and long-term benefits to the neighborhood and to the City of St. Charles. Support documentation for the estimates of public benefits must be included.

5 Demonstration of Need

Provide a detailed statement that accurately and completely explains why TIF or sales tax assistance is needed. This statement should provide the reasons why the project would have unacceptable financial returns without financial assistance.



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Project Financial Information

6 Request for TIF or Sales Tax Assistance

Specifically state the amount of TIF or sales tax assistance that is necessary to make this project possible. Also specify the terms of payment (e.g. pay-as-you-go, developer note, etc). For TIF assistance, explain 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 or sales tax assistance? For sales tax incentives, explain what the incentive is to pay for and when.

7 TIF Applicant Only: Budget of TIF Eligible Expenses

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

8 Other Subsidies

Identify all other forms of public assistance that are provided by the City of St. Charles or any other agency. Examples include: land write-down, grants, permit fee waivers, etc.

Developer Information

9 Ownership Structure

Submit a narrative description of the ownership structure of the development and ownership entities, which includes information on individuals involved in each. The financial relationship of each entity must be clearly and accurately described. Where applicable, also identify the relationship between the developer/owner and the operating entity. Indicate the entities that will serve as construction manager and general contractor for the project.

10 Principal Profile Information

Submit the requested information for each of the principals and business entities involved in this project. This information will be used to verify that the applicants and related associates do not have any outstanding debts to the City.



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TIF AND SALES TAX APPLICATION CHECKLIST

Include this Checklist when applying for TIF or sales tax assistance. If any of the required items are omitted from the application, please provide a brief explanation.

General Project Information

1. Summary Letter
2. Project Narrative

Detailed Project Information

3. Project Timeline
4. Public Benefits
5. Demonstration of Need

Project Financial Information

6. Request for TIF or Sales Tax Assistance
7. TIF Applicants: Budget of TIF Eligible Expenses
8. Other Subsidies

Other Information

9. Ownership Structure
10. Principal Profile Information



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PRINCIPAL PROFILE

The following information must be provided for each individual that is an owner, partner, investor, director or officer of the Applicant entity or of any entity holding an interest in the applicant.

Name:

Home Address:

Date of Birth:

Social Security Number:

Driver's License Number:

All information must be typed

Name:

Home Address:

Date of Birth:

Social Security Number:

Driver's License Number:

All information must be typed

Name:

Home Address:

Date of Birth:

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JOB CREATION OR RETENTION ACTIVITIES

The developer shall document and report on job creation and/or retention activity as per the terms and conditions of the TIF redevelopment or sales tax agreement. The form, content and scheduled reporting dates of the employment information that is to be supplied by the developer shall be determined by EDD.

Initials: _____ Date: _____