



TAX INCREMENT FINANCING APPLICATION City of Independence, IA

I. PURPOSE

The purpose of the **Tax Increment Financing (TIF)** program is to increase direct and indirect employment opportunities for the City of Independence residents by increasing the level of economic activity within the City. The program structure provides financial assistance to businesses and industries which require assistance in order to create new job opportunities or retain existing jobs which are in jeopardy. Assistance may be provided to encourage new business start-ups, expansion of existing businesses or the recruitment of out of city businesses into Independence.

II. ELIGIBILITY

Businesses are eligible to apply that are expanding or are new business ventures in Independence. Projects eligible for **TIF** funding include, but are not limited to, the following:

- Building construction or reconstruction.
- Acquisition of land.
- Equipment purchases.
- Clearance, demolition and removal of buildings to develop employment.
- Road construction directly supporting and assisting economic development (matching funds, state or federal grants, etc.)

III. FORM OF ASSISTANCE

Assistance may be granted on loans only. The maximum award is \$500,000. Generally awards are between \$25,000 and \$100,000 based, in part, on job creation estimates. Source of funds will be from private lending institutions.

IV. APPLICATION PROCEDURES

Application for **TIF** loans will be accepted by the City Council at regular council meetings held on the 2nd or 4th Mondays of each month. Applications may be obtained from the office of the City Clerk. The council will make a final decision on most applications within thirty days after all necessary information has been received. All loan applications shall be reviewed by the **TIF/Finance Committee** of the City Council before final consideration by the City Council. Typical information required to assist in review of an application for financial assistance includes:

- Detailed description of the project.
- Detailed business plan addressing the product market, financial needs, etc.
- Information on the company's financial position and work force (past, current and projected).
- Summary of project costs and proposed funding sources.
- Documentation of the need for **TIF** assistance.



V. REPAYMENT TERMS/REQUIREMENTS

Source of repayment can be from the individual project tax increments and/or tax increments from the entire Urban Renewal District. Interest rates will be established by the private lending institution loaning the project funds. Loans will generally be amortized in 10 years or less.

VI. KEY CRITERIA FOR APPROVAL

Requests for **TIF** funding are evaluated with the following factors in mind:

1. Local effort compared with local resources.
2. Community need.
3. Private contribution compared with TIF request.
4. Project impact on city and local economy:
 - Cost/benefit analysis.
 - Quality of jobs to be created.
 - Economic impact.
5. Potential for future expansion of the industry in general.
6. Creation of new jobs or retention of existing jobs which are in jeopardy.
7. City water utility service.
8. City sanitary sewer utility service.
9. City electric utility service.
10. Improvements in blighted areas.

VII. EVALUATION AND RATING OF PROJECTS

These **TIF** guidelines can be amended or modified to meet unusual project demands if the City Council so desires. The City Council has sole discretion to approve, reject, or table projects.



**CITY OF INDEPENDENCE ECONOMIC DEVELOPMENT
APPLICATION FOR TAX INCREMENT FINANCIAL ASSISTANCE**

1. Business name _____
Address _____
Contact person _____
Phone _____
Email Address _____

I hereby give permission to the city council to research the company's history, make credit checks, contact the company's financial institution, and perform other related activities necessary for the reasonable evaluation of this proposal.

Name of company officer _____
(Please print)

Title _____

Signature of company officer _____

2. Description and history of business.

3. Describe in detail the proposed "Project" being undertaken (e.g. company relocation, plant expansions or remodeling, new product line, refinancing, etc.)

4. What date will the project begin? _____

5. Has any part of the project been started yet? _____ If yes, please describe.



6. How many employees are currently employed by the company? _____ If this company has more than one facility, how many full-time employees are there at the facility affected by this proposal? _____ How many part-time employees? _____
7. How many new, full-time employees will you add to the payroll within 24 months, if the project is accomplished? _____ Part time _____
8. Estimated monthly water consumption _____ gallons.
9. Estimated monthly sanitary sewer use
Flow _____ gallons
Biochemical oxygen demand _____ pounds
Suspended solids _____ pounds
Other _____
10. Estimated monthly electrical kilowatt load _____ kW
11. What is the estimated annual payroll for the new employees resulting from this project? _____
12. What is the average wage rate projected to be for the new employees? _____
13. Will any of the current employees lose their jobs if the project does not proceed?

14. If yes, how many? _____ Explain why:
15. How will this project benefit the city/county, etc.?



SUMMARY OF PROJECT COSTS AND PROPOSED FINANCING SOURCES

ACTIVITY	<u>USES</u>		<u>SOURCES</u>	
	\$AMOUNT	\$AMOUNT	PROVIDED BY	
A. Land acquisition	_____	_____	_____	

B. Site Preparation	_____	_____	_____	

C. Building acquisition	_____	_____	_____	

D. Building construction	_____	_____	_____	

E. Building remodeling	_____	_____	_____	

F. Machinery & Equipment	_____	_____	_____	

G. Furniture & Fixtures	_____	_____	_____	

H. Working Capital	_____	_____	_____	
Receivables			_____	
Inventory			_____	
Marketing			_____	
Other			_____	
I. Other	_____	_____	_____	

TOTAL	_____	_____	(Columns must equal)	



TERMS OF PROPOSED FINANCING

	AMOUNT	TYPE Grant/Loan/etc	RATE	TERM
State Assistance	_____	_____	_____	_____
Conventional Financing	_____	_____	_____	_____
Job Training	_____	_____	_____	_____
Community Participation	_____	_____	_____	_____
Other	_____	_____	_____	_____
Other	_____	_____	_____	_____
Other	_____	_____	_____	_____

16. Explain what form the business contribution to the project is (i.e. loan, equity, etc):

17. Identify all agencies or institutions involved in the project, and their involvement:

18. Explain why assistance is needed from the city:



19. Required Attachments

Check-off each one submitted, if not submitted, explain why not.

_____ List of position for jobs to be created (e.g. 5 welders, 3 assemblers, 1 office worker)

_____ Business plan (if new business)

_____ Profit and loss statement (3 years historical and 2 year projections)

_____ Balance Sheets (3 year historical and 2 year projections)

_____ Letters of commitment of funds. (From banks, applicant, etc.)

Thank You!