



## 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 2<sup>nd</sup> or 4<sup>th</sup> 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	RATE	TERM
	Grant/Loan/etc		



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.)

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*Thank You!*