

FY 2009 NEW DEVELOPMENT AND EXPANSION PROGRAM

The New Development and Expansion Program is an incentive program for developers and business owners desiring to locate and build within the City of West Peoria’s Tax Increment Financing (TIF) District. The goal of this program is to encourage economic revitalization in the area by assisting redevelopment efforts. The amount of negotiated assistance is based upon the following criteria:

- The projected increase in the assessed valuation of the property
- The number and quality of new jobs created or retained
- The amount of other revenue generated for the City by the project
- The compatibility of the project to furthering the development and economic goals of the City – the desirability of the project.

Eligible uses of TIF funds include:

- Land acquisition
- Planning, legal, engineering and architectural services
- Demolition of buildings and clearing of property
- Construction costs of infrastructure improvements
- Rehabilitation of existing structures
- Financing costs – up to 30% of interest expense

A \$200,000 minimum investment is required to be eligible for TIF funds through this program.

Funding

This program provides a reimbursement of 50-80% of the net real estate tax increment for the remaining life of the TIF district, or until all eligible project costs are reimbursed, whichever occurs first. Therefore, the amount of assistance is dependent upon the increase in the assessed valuation of the property as a result of the improvement project. This program also offers, if applicable, 30-50% of new municipal sales tax increment for the remaining life of the TIF district or until eligible project costs are reimbursed. Funds will be disbursed annually by a check payable to the applicant as property taxes come in.

Funding will be provided upon a post-completion basis only. Funds will not be disbursed for projects which are not in accordance with the approved redevelopment agreement and original documentation of all expenses submitted and approved by the City. Modifications to the approved final plans which produce visible differences in the previously approved application or project design (such as changes in exterior materials, additions or deletions) will require further review and approval. Failure to receive such approval shall invalidate the project and its related applications and documents.

Applicant must provide verification, satisfactory to the City’s TIF District Administrator, of all project costs, including paid contractor invoices, contractors’ affidavits and final mechanics’ lien waivers from any and all contractors, subcontractors and/or suppliers, before grant funds can be disbursed. Applicant will be responsible for any costs equivalent to applicant’s share of the costs

or those beyond the approved amount, and must show proof of payment at or before payment by the City.

Application Process

Step 1: Applicant should meet with City staff to discuss his/her project. Then applicant must complete an application form provided by City Hall.

Step 2: City staff and the City's TIF consultants will review the application.

Step 3: After review and recommendations by the City's TIF consultants, the applicant must present his/her project before the next Finance Committee meeting held at City Hall on the first Tuesday of every month at 5:30 pm. The applicant should be prepared to comprehensively describe the project he/she would like to complete.

Step 4: If the project is approved by the Finance Committee, it will be placed on the agenda of the following City Council meeting (the second Tuesday of each month) for final approval.