

CITY OF QUINCY INVESTMENT PLAN FOR THE DOWNTOWN TIF DISTRICTS

Adopted By City Council on February 2, 2015

Introduction:

Tax Increment Financing (TIF) is a governmental financing tool that the City of Quincy uses to fund public infrastructure construction, promote development, and to expand the future tax base. TIF assistance in Quincy is used only when the proposed development would not occur “but for” City assistance. The proposed development should be consistent with and reinforce the goals. Recommended Actions for Revitalization of Quincy CBD 1996, the CBD West Redevelopment Project and Plan Report 1998, and the Quincy TIF East Redevelopment Plan and Program 2010.

TIF Goals and Strategies:

Goals:

- 1) Promote downtown Quincy as a center of business activity and economic growth.
- 2) Purchase new city facilities, expand and upgrade existing city facilities, particularly city parking lots within the TIF district, provide the necessary infrastructure for redevelopment and encourage private investment.
- 3) Encourage private investment to upgrade deteriorated buildings and sites.
- 4) Encourage the reuse of upper-floor residential properties to provide diversity of housing types and satisfy a wide-range of needs for all persons, regardless of age, race, religion, gender, national origin, physical ability and economic level.
- 5) Encourage private investment to develop vacant and underutilized buildings and sites.
- 6) Explore carefully selected and positive financial and regulatory incentives that support the retention, expansion, and relocation of business to and within Quincy.
- 7) Promote, retain and attract businesses that provide a diverse base of employment opportunities.
- 8) Provide the necessary beautification improvements to attract and encourage private investment.

Strategies:

- 1) Invest TIF revenues in a diverse portfolio that works towards the accomplishment of the goals.
- 2) When possible, an annual TIF budget should be adopted directing 50% of TIF revenues towards:
 - a. The encouragement of private investment to upgrade existing deteriorated buildings, sites and vacant properties
 - b. The encouragement of reuse of upper-floor residential properties
 - c. Economic development incentives to retain and attract business to and within Quincy
- 3) When possible, an annual TIF budget should be adopted directing 35% of TIF revenues towards infrastructure needs in the TIF district.
- 4) When possible, an annual TIF budget should be adopted directing 15% of TIF revenue towards discretionary projects.

- 5) Sources of funds to accomplish the goals shall be the same as those adopted in the 1998 TIF West Redevelopment Project and Plan Report and the 2010 TIF East Redevelopment Plan and Program.
- 6) No obligation will be issued that goes beyond the life of any of the TIF Districts.

TIF Assistance Approval Process:

- 1) Prior to submitting a TIF assistance request, developers must meet with the Planning and Development Department, Administration and other city staff as appropriate to determine if funds are available in the current or next year's TIF budget.
- 2) A TIF Assistance Proposal submitted by a developer must include the following:
 - a) Scope of project, detailing the specific improvements.
 - b) Location of the project, specific addresses.
 - c) Ownership of the property and if a purchase agreement or option to purchase has been executed.
 - d) Amount of TIF funding requested.
 - e) Project time line, specifically start and completion dates.
 - f) A general statement of how the project is consistent with TIF Investment Plan Goals.
- 3) Prior to City Council review of a TIF assistance request, a City Council Finance Committee will be scheduled with the developer to review the TIF funding request. In addition to TIF Assistance Proposal information (2 a through f), a draft Redevelopment Agreement which the developer has reviewed and approved establishing the conditions and parameters of the City providing TIF funding assistance shall be provided to the Finance Committee for review. The Finance Committee may approve, deny or forward the proposal to City Council without a recommendation.

TIF Loan and Grant Assistance Policies – All Developments

- 1) Grants and Loans - The City may consider grants or loans to developers for property improvements including building rehabilitation, façade restoration, enhancements, or demolition of obsolete structures.
- 2) Land Assembly Costs - The City may also consider acquisition of land, demolition of buildings, site preparation and site improvements that serve as a barrier to development including below ground environmental contamination. Prior to purchase, developers seeking TIF assistance shall provide the City with documented market evidence that the purchase price negotiated is within an acceptable range of values for the property's current condition. Developers shall conduct a meeting with the Planning and Development Department staff and Administration concerning building height, land use, zoning and other issues and shall provide such findings to the City. The City shall not provide TIF assistance for land purchases that greatly exceed the assessed value of the current land use(s), as determined by the City. The City of Quincy is not obligated to provide TIF assistance for land costs, whether purchased or optioned. Developer shall provide all such studies or reports to the City at the time of application.
- 3) Environmental Remediation—The City may consider the cost to remediate environmentally contaminated property when it exceeds the reasonable cost experienced on typical redevelopment

projects. However, the City shall not provide TIF assistance that eliminates a responsible party's obligation to remediate contaminated property.

- 4) Infrastructure Costs. The City may consider the cost for public improvements such as sewer and water lines, sidewalks, curbs and gutters, street lights, signage, street and alley reconstruction and resurfacing and related public infrastructure attributed to a redevelopment project.
- 5) Operating Costs, including, but not limited to, lease-up reserves or working capital are not eligible TIF expenses.
- 6) "But for" Standard. Project must demonstrate sufficient need for the TIF assistance, so that without that assistance, the proposed project would not occur. Financial alternative are to be exhausted prior to requesting TIF assistance, including equity participation, other federal and state funds, bonds, tax credits, loans, etc. TIF assistance will be utilized as gap financing. Each project must demonstrate a probability of economic success.
- 7) Equity Greater or Equal to TIF. TIF assistance shall not exceed the amount of equity provided by the developer. Equity is defined as cash, un-leveraged or unencumbered funds in land or buildings that is available to secure financing. Donated developer or construction management fees shall not be considered as equity.
- 8) No Rent or Sales Price Write-Downs. TIF assistance will be limited to the amount necessary to make a project competitive with other similar projects in the Quincy market area. The intent is not to provide below-market sales prices or rent subsidies to assisted projects, except as applied to assist affordable housing.
- 9) Self-Supporting Projects. Each project demonstrating a need for TIF assistance must generate sufficient tax increment to cover or repay both the TIF contribution to the project and any public infrastructure costs associated with the project.
- 10) No Mortgage Guarantees. The City will not provide mortgage guarantees.
- 11) Personal Guaranty. The City will require a personal guaranty for TIF assistance or in the case of a non-profit developer other forms of guaranty may be substituted.
- 12) Real Estate Taxes. Projects assisted with TIF shall pay real estate taxes. The city may consider a property tax reimbursement of a portion or all of the value of the improvement. The length of any real estate tax abatement will be based on the remaining years of the TIF district. No tax abatement can extend beyond the life of the TIF District.
- 13) Local Employment of Contractors. Developers utilizing TIF funds are required to comply with Section 13.121 (Employment of City Residents) of the Municipal Code of Quincy.
- 14) Prevailing Wage. Developers utilizing TIF funds are responsible for determination of the applicability of the Prevailing Wage Act (820 ILCS 130/0.01 *et. seq.*). If Prevailing Wage applies the developer is responsible for payments in accordance with the Prevailing Wage Act and all required reporting.
- 15) Non-Discrimination. Developer utilizing TIF funds shall not discriminate against any applicant, employee or tenant because of age, color, creed, national origin, race, religion, marital status, sex,

physical disability, or familial status. Developer shall ensure that applicants, employees, and tenants are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, physical disability, or familial status.

16) Private Development Projects Used by Government Units. The City may provide TIF assistance to a private development project wherein a unit of government leases space when the project addresses all of the following situations:

- a) Satisfies all other underwriting policies for TIF assistance to private development projects.
- b) Maintains or expands existing employment or reuses a blighted, underutilized or vacant property.
- c) Provides an anchor for an overall development plan that will include other commercial, office, housing or mixed uses.
- d) Advances a development in an already-established tax incremental district.
- e) Private development projects assisted under this policy will be required to provide a full reimbursement of the City's financial assistance and expenses for the project in the event the project is removed from the tax roll.
- f) Projects will be funded under this policy with sources other than general obligation debt to the maximum possible extent, in accordance with the general policy of the City's use of TIF.