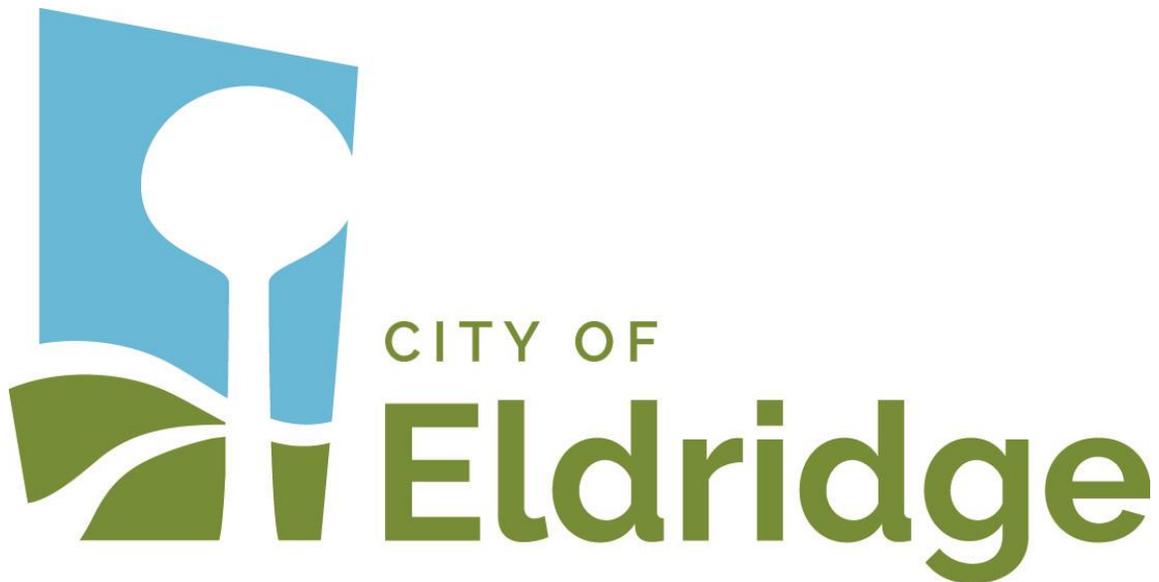


TAX INCREMENT FINANCING POLICY



Approved
March 22, 2004

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City of Eldridge Tax Increment Finance (TIF) Program

Goal:

The goal of Eldridge's Tax Increment Finance (TIF) program is to encourage quality economic development, enhance the industrial and commercial property tax base, create quality employment, and attract businesses that contribute to the general well-being and quality of life of Eldridge's residents. To accomplish these goals, the City will utilize TIF to provide incentives to developers and businesses to locate and expand in Eldridge and to extend and improve city infrastructure to promote the development of industrial and commercial properties.

The following are the criteria the City shall consider when reviewing requests for TIF funds:

Base criteria:

1. The project is a new or existing business located in the City that is improving property with expanded infrastructure or building expansion.
2. The project creates additional tax base for the community of at least \$250,000.
3. The project creates or maintains quality employment in the community.
4. The project is a new or existing business that is compatible with the community environment and maintains and promotes a strong sense of community.
5. The project meets all building codes and zoning ordinances established by the City.
6. The project shall not cause undue stress on City services or infrastructure and is sensitive to the environment.
7. The project does not create an unfair advantage for the applicant over existing businesses in the community.

Additional Criteria:

In exceptional cases, additional criteria shall be considered to determine whether a project is eligible for funding above the base TIF amount. Following are those additional criteria, one or all of which, the applicant must meet or exceed to merit consideration for additional funding:

1. The amount of tax base created - Does the project provide for a significant expansion (greater than \$1,000,000) of the tax base?
2. Number of new jobs - Does the project create 25 or more full-time jobs? If so, how many?
3. Quality of jobs - Does the project create new jobs that pay at least 125% of the median income for Scott County and provide insurance benefits? If so, how many?
4. Existing business - Is the project an existing business in Eldridge that is in need of expansion?

5. Redevelopment - Does the project involve investment in the redevelopment of an existing structure or property?
6. Community need - The project meets an identified need for the city and the community.

Policies:

The following are the policies for the City's TIF program:

1. TIF is not an entitlement program. This policy shall not be construed as obligating the City to use TIF for all projects that satisfy the criteria set forth in this policy. The decision to provide economic development incentives shall be at the sole discretion of the Eldridge City Council and shall be determined on a case by case basis.
2. The City may provide TIF funds for the purposes of improving City physical infrastructure and structures as well as for structural and infrastructure improvements to privately owned commercial and industrial properties.
3. The City shall give priority to the use of TIF funds for public infrastructure improvements.
4. Any project making an application for TIF funds must be located in a designated TIF district as designated in Title D, Chapters Seven and Eight of the Eldridge City Code.
5. The public assistance granted to a business shall not result in a benefit exceeding market conditions and normal business expectations for finance terms or rate of return on investment.
6. Projects receiving TIF are ineligible to receive tax abatement.
7. For projects that meet the base criteria, the City may provide TIF assistance up to 50% of the eligible property taxes paid for a period of up to 5 years. Eligible property taxes are the product of incremental value created by the project times the portion of the levy rate allowed for TIF. The City will take into account its costs related to the advancement of TIF funds such as interest costs, loan or bonding costs, etc. when it determines the total amount of TIF funds it provides to an individual applicant. Projects that substantially exceed the base criteria and meet one or more of the additional criteria set forth above may be considered for TIF funds above the base TIF amount, up to a maximum of 100% of the eligible property taxes for a period of up to ten years. Approval of TIF funds above the base amount require a four-fifths (4/5) vote of the city council.
8. The City shall not provide TIF funds for residential developments or residential structures.
9. "Chain" type stores, retail stores, service stations, or restaurants shall not be considered for funding.
10. Speculative projects (with no guarantee of type of businesses to locate in the project or type and quality of jobs) shall not be considered for funding in excess of the base amount.

11. TIF projects will be funded on a "pay-as-you-go" basis. Once the improvement is made and the owner/developer pays their taxes, the City shall refund a portion of their incremental property taxes according to the criteria established in the Development Agreement.
12. If the City has already extended TIF funds to improve a property (infrastructure or buildings), the City may reduce the amount of TIF assistance for subsequent improvements to a property.
13. Failure to meet the conditions of the development agreement is grounds for revocation of the TIF assistance.

APPLICATION PROCEDURES:

1. Any business/developer interested in applying for TIF funds shall submit an application as early as possible to the City. At a minimum, a business must submit its application for TIF funds prior to submittal of a site plan.
2. Once the application is submitted, the Economic Development Advisory Board will review the project. If the Board determines the application is acceptable for funding, it will recommend to the City Council the level and duration of TIF benefits to award.
3. If the City Council agrees with the Advisory Board's recommendation, staff will be directed to prepare a Development Agreement. The cost to prepare the Development Agreement shall be paid for by the applicant.
4. Once the Development Agreement has been reviewed and accepted by the applicant and City staff, the City Council will conduct a public hearing and take action on the agreement.
5. The City may utilize a private financial consulting firm to help it review an applicant's submittal for TIF assistance if it feels that the complexity of an application requires such a review. If the City finds it necessary to utilize a private consultant, the applicant will be required to pay the consultant's fee. Before the City utilizes a consultant, it shall notify the applicant with an estimate of cost.

Disclaimer:

This policy and procedure does not obligate the City of Eldridge to approve a TIF district or project or to pay any costs incurred by any developer prior to a decision on a TIF application. The City of Eldridge, in its sole discretion, reserves the right to reject any and/or all applications for tax increment financing if it is in the City's best interests to do so. All projects, and the approval of any TIF project, must comply with state and federal law in order to be valid.

CITY OF ELDRIDGE TIF APPLICATION FORM

This application must be completed by any business/developer who intends to apply for Tax Increment Finance (TIF) assistance from the City of Eldridge. Feel free to use additional sheets of paper to expound on any information requested in the application.

Name of business: _____

Address: _____

Telephone: _____

Email: _____

Form of Entity: Corporation General Partnership
 Limited Partnership Sole Proprietorship

State of Organization: _____ Taxpayer ID #: _____

Please provide name, address, telephone number, and percent ownership for each owner of business enterprise:

*If more than three please attach a separate sheet with requested information

Type of business for which TIF funds are requested:

For what purpose are TIF funds being requested? ___ Infrastructure ___ Building ___ Both

The request is for: ___ expansion of an existing business ___ a new business

Type of building(s) or infrastructure for which TIF assistance is being requested:

Estimated date of completion: _____

Amount of TIF funds requested:

Current taxable value (including structures) of the property for which TIF funding is requested:

Dollar value of building/improvements to be constructed:

Square feet of new building(s):

Estimated taxable value of the property once the improvements are made:

Number of jobs generated by the project: _____ existing jobs _____ new jobs

Describe the types of jobs maintained or created by the project (including wage ranges and benefits):

Physical location (address/description) of project:

Will the business enterprise own or lease the project site and facilities? Own Lease

If lease, list the owner name, address and phone number:

Zoning classification of the subject property: _____

Describe how the development project is to be financed:

Describe specific utility/infrastructure needs of the project:

How will the City benefit from the project?

How does the project accomplish the goal of the TIF program to encourage quality economic development, enhance the industrial and commercial property tax base, create quality employment and attract businesses that contribute to the general well-being and quality of life of Eldridge's residents?

Name of applicant

Title

Email address

Phone

Date

Signature of Applicant