



# Village of Glen Ellyn Tax Increment Financing and Economic Incentive Guidelines

June 2017

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## Introduction

The Village of Glen Ellyn believes that local businesses are a valuable and important part of our community. Businesses contribute to the vitality and strength of our Village and Glen Ellyn aims to be a welcoming place for business. We welcome the opportunity to discuss business and development opportunities within the Village and consider incentives that enable desirable economic development.

The purpose of these Guidelines is to present the primary objectives of Village sponsored economic incentives for all parties involved and to provide a general framework which will ensure both consistency over time and fairness in the consideration of economic incentive proposals. These internal Guidelines are intended to be flexible in order to address specific circumstances and may be waived or amended as the Village Board deems appropriate.

Incentives are a tool to encourage and maintain quality development in the Village and should be used in the best interest of the community by providing growth and long-term value. The impacts on all stakeholders should be considered before the Village Board decides to approve or deny a request for incentives.

The referenced incentives are not inclusive and use of any incentive is at the sole discretion of the Village Board. All requests for incentives will be reviewed on a case-by-case basis and upon the merits of each situation. Meeting policy guidelines does not guarantee assistance and the approval or denial of one project shall not set a precedent for approval or denial of other projects. The Village's intention should be to provide the minimum amount of assistance necessary to make the project viable while carefully considering the long-term financial and community impacts.

*Parties to any incentive agreement must abide by the Village ethics policy to help protect against issues of conflict of interest (see "Attachment A" for details).*

## Goals and Objectives

The primary goal of economic development assistance is to enhance commercial districts in the Village by making possible development that would not take place without an incentive. In general, economic incentives are to bridge the financial gap for quality projects which will generate substantial new revenues for the Village or generate additional jobs, and which would not take place in Glen Ellyn but for the existence of the incentive.

These goals are to be met through the following objectives:

- Attracting, retaining or expanding businesses/development to improve the economic base;
- Attracting businesses/developers to high priority redevelopment sites;
- Encouraging development projects that enhance the streetscape and pedestrian experience and improve the vitality of the area by adding interest and activity on the first floor of mixed-use and commercial buildings;
- Improving public infrastructure such as parking and transit facilities, streetscapes, public gathering spaces and green spaces;
- Attracting high priority and unique businesses to the Village that improve the overall mix of uses;
- Improving properties which are considered unattractive or have been vacant for a long period of time;
- Providing higher quality architectural and landscape treatments than the market will bear to further improve the aesthetics of an existing or proposed development, enhance adjacent property values, and improve the overall appeal of the Village's commercial districts;
- Introducing uses which further the Village's reputation as a destination for shopping, dining, cultural events and entertainment;
- Improving the variety of quality housing choices to support community diversity and nearby businesses, and increase the vibrancy and economic development potential of the Village;
- Retaining and providing for growth of high priority or significant anchor businesses whose closure would have considerable negative impact on surrounding businesses and the community; and/or
- Fulfilling other goals expressed within the Village's Comprehensive Plan and Downtown Strategic Plan.

## **Types of Incentives**

The following is a list of potential incentives the Board may consider. Not all incentives will be appropriate for all projects and some projects may necessitate creative incentives that may not be listed below.

- Tax Increment Financing (TIF);
- Sales Tax Rebates;
- Retail Façade Improvement Awards, Downtown Retail Interior Improvement Awards and Fire Prevention System Awards (for downtown properties and properties located within the Roosevelt Road TIF District);
- Other —
  - Use of Village property or right-of-way for development at reduced or no cost, excluding previously vacated right-of-way;
  - Contribution toward public improvements or infrastructure;
  - Fee waivers: zoning, permits, etc.;
  - Cooperative provision of municipal services;
  - Industrial Revenue Bonds (bond financing for specific industrial improvements);
  - Special Service Area (cooperation among property owners to fund a specific project);
  - Business Development District (an increase in sales tax over a specified period of time used to fund improvements in the district).

## **Tax Increment Financing**

Tax Increment Financing (TIF) districts allow future increases in taxes for properties within the TIF district to be collected and used to stimulate investment within the district. The taxes within the district are frozen at the existing level and each taxing body continues to receive their portion of the taxes at that level. Only the new property taxes generated by the incremental increase in the value of these properties above the frozen level are pooled in a fund and used for financing projects within the district. Glen Ellyn has two TIF districts. One roughly encompasses the downtown C5A Central Business, Retail Core Sub-zoning district and the C5B Central Business, Service Sub-zoning district. The other is on Roosevelt Road, roughly encompassing Roosevelt Road from IL-53 to Main Street (see attached TIF maps for specific TIF boundaries for each district). The tax increases created by redevelopment, re-occupancy, new development and general assessed value in the TIF Districts are collected and used for economic development within each district. TIF districts have a lifespan of 23 years, as mandated by State Statute.

Specific TIF Guidelines are intended to provide guidance to the Village Board when deciding when and how to utilize Tax Increment Financing assistance for development within the TIF District. Assistance will be reserved for projects that have a demonstrated financial gap and that will assist the Village in meeting its goals. TIF Guidelines shall be used to process and review requests for TIF assistance; however, the Village Board may amend or waive portions of these Guidelines at any time as may be necessary or appropriate. The purpose of TIF assistance is to encourage desirable

development that would not occur “but for” the TIF assistance provided. Only the minimum amount of TIF assistance necessary to make the project viable shall be used.

According to the Illinois Tax Increment Association, by current Illinois State Statute, activities eligible for TIF financing include (but are not limited to):

- Property acquisition;
- Rehabilitation or renovation of existing public or private buildings;
- Construction of public works or improvements;
- Job retraining programs;
- Relocation;
- Financing costs, including interest assistance;
- Studies, surveys and plans;
- Professional services such as architectural, engineering, legal, property marketing and financial planning; or
- Demolition and site preparation.

Generally, Village of Glen Ellyn projects eligible for TIF financing include extraordinary costs associated with infrastructure improvements, code required improvements for existing buildings, site preparation, and similar enhancement projects. TIF funds may not be used for construction.

State Statute also requires the “but for” test to determine if a project is eligible to use TIF funds. This test requires that a project would not be viable, “but for” the assistance provided by the TIF funding. An incentive or combination of incentives may be appropriate depending on the scope and impact of the project. The impact of incentives on all stakeholders shall be considered.

### **TIF Eligible Projects**

There are several types of eligible projects which may be considered for TIF assistance. Examples of these projects are:

- Business attraction, retention or expansion;
- Housing;
- Affordable housing;
- Historic revitalization;
- Public infrastructure enhancements;
- Development consistent with the TIF Redevelopment Plan.

### **TIF Financing Criteria**

The Village Board reserves the right to deny any request for TIF assistance. There are many important criteria and considerations that must be taken into account when evaluating possible TIF projects. The following is a list of criteria a developer should take into account when developing a

request for TIF assistance and the Village Board should consider when determining if TIF assistance is warranted:

- As with other forms of Village incentives, assistance shall be limited to the minimum amount necessary to make the project feasible. Assistance will not be provided solely to increase the developer's profit margin. It is up to the Village's discretion to determine how much, if any, assistance is necessary to make the project feasible;
- The petitioner shall demonstrate that the project would not otherwise take place in Glen Ellyn "but for" the incentive;
- A maximum dollar amount and term will be determined. Assistance will be at the lowest level possible within the least amount of time;
- All projects shall be reviewed on a case-by-case basis. Meeting all the criteria for TIF assistance does not guarantee that assistance will be awarded, nor does the approval or denial of one project set a precedent for approval or denial of another;
- Assistance will generally be provided by a "pay-as-you-go" method. Up-front financing requests will be considered on a case-by-case basis provided there is sufficient increment generation to meet initial financing and debt service costs;
- Assistance for land/property purchases will not exceed the fair market value of the property. The Village will hire an independent appraiser and the appraisal cost will be reimbursed by the developer;
- Assistance shall not be provided for projects that would result in extraordinary demands on Village infrastructure or services;
- The developer is responsible for providing any additional information, such as market and feasibility studies, and appraisals, which the Village deems necessary to review the need for TIF assistance;
- The developer must provide adequate financial guarantees to ensure completion of the project, not limited to letters of credit, cash escrow and personal guarantees. The developer must also demonstrate to the Village's satisfaction, the ability to construct, operate and maintain the proposed project;
- All projects must demonstrate the probability of economic success. The developer shall submit to the Village preliminary sales, data projections, and/or pro forma analyses concerning the subject site. The Village will hire an independent consultant to verify the developer's submissions and the resulting cost will be reimbursed by the developer through an escrow;
- The developer must retain ownership of the overall project until final completion. For projects intended as for-sale developments, individual condominium units may be sold as they are completed. For all other projects, the developer must retain ownership at least long enough to complete the project (as evidenced by the issuance of a final certificate of occupancy), stabilize its occupancy, establish project management and initiate property tax payments based on the increased project value;

- For parcels that are “tax exempt” prior to redevelopment, the projections for incremental revenue generation will be based upon the projected revenue generation after the placement of an initial valuation on the property;
- The level of assistance should be reduced to the lowest possible level in the least amount of time by maximizing the use of private debt and equity financing first;
- Development receiving TIF assistance is required to provide a full reimbursement to the Village of the assistance provided in the event the project is removed from the tax rolls during the period of time the applicable development project area is in existence. The developer shall sign appropriate legal documents indicating agreement with this mandate.

### **TIF Submittal Guidelines**

The Village requires certain information from every applicant requesting TIF funds. This information is critical to allow the Village to make proper and informed decisions. All requests for TIF funding shall include the following items:

- Completed Village application for TIF Funding (“Attachment C”);
- An initial deposit of one percent (1%) of the requested TIF assistance or \$10,000, whichever is greater. This deposit will be used to cover the Village’s costs for review of the request. The applicant is responsible for reimbursing the Village for all costs that exceed the initial deposit. If at any point the escrow balance drops below \$500, the developer must replenish the escrow to the initial amount deposited. Any unused portion of the deposit will be returned to the applicant after the project is completed;
- Preliminary financial commitment from a financial institution;
- Plans and/or drawings for the proposed project;
- Background information on the developer’s experience, capabilities and similar projects;
- Pro forma analysis for the project including sources and uses of funds, and annual income and operating projections;
- Audited financial statements from the last three (3) years and an interim financial statement for the current year; and
- Complete list of the names and addresses of all investors in the project including each individual’s ownership interest.

The Village may request additional information from the developer if necessary to make an accurate and informed decision. The developer shall comply with all disclosure requirements of the Village. The Applicant shall submit an original and two copies of all the requested documents. Packets should be sent to:

Village Manager’s Office  
 Village of Glen Ellyn  
 535 Duane Street  
 Glen Ellyn, IL 60137

The Village will notify the developer when all the requested materials have been received. In the event the developer does not submit everything that was requested, the review of the request will not begin until those materials are received.

### **TIF Review Process**

Applicants are encouraged to contact the Village Manager's Office to initiate discussion regarding potential TIF assistance. Once an application is received, the estimated timeframe for review is approximately 6 weeks and may include the following steps:

- Submittal of documentation to Village management;
- Review of documentation by Village management and consultant chosen by Village -
  - Calculate potential sales tax, property tax, utility tax, water revenue, miscellaneous one time fees (building permits, transfer tax, fee-in-lieu charges, etc.)
  - Determine if there are any State or County incentives available to coordinate a joint incentive package;
- Presentation of request, management analysis and recommendation to Village Board;
- Village management prepares draft TIF Assistance Agreement if applicable;
- Management recommendation, and draft TIF Assistance Agreement forwarded to Village Board, if applicable; and
- Village Board meeting for final consideration of TIF assistance request.
- TIF Assistance agreements shall include the following provisions:
  - Reimbursement for Failure: The TIF Assistance Agreement will contain a claw-back provision to the Village for reimbursement of a pro-rated share of the assistance based on specified time periods should a developer associated with assistance cease to operate during the term of the agreement or another specified period of time;
  - Look-back Provision: If the project generates a higher return than anticipated when the incentive was approved, the developer and Village shall split 50/50 any increase at or above a specified threshold of the original projected rate of return.

The Village Board has final authority to negotiate the terms of any economic incentive or to deny approval of an incentive proposal. The preceding guidelines do not limit Village Board action.

### **Non-TIF Incentives: Eligible Projects**

The Village will consider non-TIF incentive requests on a case by case basis. There are several types of eligible projects not considered under TIF guidelines which may be considered for economic assistance. Examples of these projects are:

- Businesses attracted, retained, or expanded in the Village;
- Development of previously identified priority development sites;
- Business segments underserved in the Village;
- Development consistent with the Downtown Plan or Comprehensive Plan;
- Other projects that would enhance the Village and satisfy one or more of the identified objectives.

### **Non-TIF Incentives: Review Criteria**

The threshold level of assistance given to the Developer should be limited to the minimum amount necessary to provide the Developer with a reasonable rate of return for the project in Glen Ellyn, and the level of return for the Village to consider an incentive proposal should be significant.

Requests for economic assistance shall be evaluated on the merit of the proposal and the following criteria:

- Conformance with the Comprehensive Plan and Downtown Plan goals and objectives;
- Improvement of economic base through attraction, retention or expansion of businesses;
- Attraction of high priority business that would enhance diversity of businesses and vitality in the Village's business districts;
- Fulfillment of an underserved business segment;
- Enhancement and diversification of Village revenue bases;
- Presence of extraordinary costs above and beyond typical development improvement costs, such as prohibitively expensive:
  - Environmental remediation
  - Capital purchases
  - Facility expansion
  - Public infrastructure
- Provision of a variety of quality housing choices including those that support community diversity;
- Enhancement of streetscape and pedestrian experiences;
- Improvement of public infrastructure;
- Improvement of existing parking and/or traffic circumstances not created by the applicant;

- Remediation of blighted property;
- Enhancement of cultural and/or environmental circumstances;
- Creation of more marketable real estate space;
- Significant increase in quality full-time permanent employment;
- Quality of development and aesthetics above and beyond code requirements and design standards;
- Impact on the immediate neighborhood;
- Demonstrated ability to construct, operate and maintain the proposed project based upon past experience, reputation and credit history; and
- Demonstrated probability of economic success.

The above criteria are not inclusive and do not prohibit other criteria from being considered.

### **Non-TIF Incentives: Submittal Guidelines**

By providing an incentive the Village is entering into a financial agreement; therefore is it appropriate to request detailed financial information from the developer or property owner to allow the Village to evaluate the likely success of the project and make an informed decision. The following is a general list of items the Village may wish to request of the developer in order to allow the Village a thorough review of the project, including any potential impacts and how the requested incentive may benefit the Village. The submitted documents should be considered the developer's application for incentive:

- Program Details
  - Summary of proposal and benefits to the Village
  - Area of property
  - Square footage of uses by type
  - Estimated number of employees (full-time and part-time)
  - Proposed construction timeframe
  - Complete list of all investors in the project identifying individual ownership interest;
- Projected Annual Sales
  - Total sales for 10 years
  - Breakdown of total sales between taxable items and exempt items (see "Attachment B" for details on items exempt from Home Rule Sales Tax);
- Current equalized assessed value of the property;
- Current property appraisal;
- Market study, gap analysis and pro forma analysis of the project;
- Estimated construction cost and purchase price of property;
- Estimated utility usage (eg. electricity, natural gas, telecommunication);

- Estimated water usage;
- Description of incentive being requested -
  - Dollar amount and proposed structure of incentive request
  - Description and amount of extraordinary costs related to development;
- Financial guarantees to ensure project completion such as letters of credit, and cash escrow; and
- Any other relevant information requested by the Village and necessary to evaluate the request.

The Applicant should submit all the requested documents. Packets should be sent to:

Village Manager's Office  
 Village of Glen Ellyn  
 535 Duane Street  
 Glen Ellyn, Illinois 60137

Petitioners should be prepared to provide full financial disclosure for evaluation by an independent financial consultant approved by the Village. An amount from the petitioner, paid at the time of application, shall be deposited into an escrow account to cover the Village's costs for legal and financial consultation in reviewing the incentive request.

The Village shall notify the developer when all the requested materials have been received. In the event the developer does not submit everything that was requested, review shall not begin until those materials are received.

**Non-TIF Incentives: Review Process**

Glen Ellyn welcomes business and development opportunities within the Village. Village staff is readily available to respond to questions and offer assistance to prospective businesses and developers. Applicants are encouraged to contact management in the Village Manager's Office to initiate discussion regarding potential incentives and may include the following steps:

- Submittal of documentation to Village management;
- Review of documentation by Village management (and/or consultant if desired by Village);
- Calculate potential sales tax, property tax, utility tax, water revenue, miscellaneous one time fees (building permits, transfer tax, fee-in-lieu charges, etc.);
- Determine if there are any State or County incentives available to coordinate a joint incentive package;
- Presentation of request, management analysis and recommendation to Village Board;
- Village management prepares draft Incentive Agreement, if applicable;

- Management recommendation, and draft incentive agreement forwarded to Village Board, if applicable; and
- Village Board meeting for final consideration of incentive request.

Non-TIF incentive agreements should address the following items and include the following provisions:

- *“But For” Standard:* the petitioner should demonstrate that the project would not otherwise take place in Glen Ellyn “but for” the incentive;
- *Dollar Amount and Term:* A maximum dollar amount and term will be determined. Assistance should be at the lowest level possible within the least amount of time;
- *Eligible Project Costs:* Incentives may not be used for soft costs such as legal, architectural or engineering consultant fees;
- *Reimbursement for Failure:* The incentive agreement should contain a claw-back provision to the Village for reimbursement of a pro-rated share of the incentive based on specified time periods should a business associated with an incentive cease to operate during the term of the incentive or another specified period of time;
- *Look-back Provision:* If the project generates a higher return than anticipated when the incentive was approved, the developer and Village shall split any increase at or above a specified threshold of the original projected rate of return;
- *Permanence:* Projects requesting an incentive should demonstrate their intent to remain within the Village for the foreseeable future. For example, a condition of the incentive may be a commitment for a lease period beyond the length of the incentive;
- *Ownership:* If the developer intends to sell the project (i.e. commercial or residential condominiums), the developer must retain ownership of the overall project until final completion;
- *Pay-As-You-Go:* Assistance will be provided by a “pay-as-you-go” method. Up-front financing requests will be considered on a case-by-case basis provided there is sufficient increment generation to meet initial financing and debt service costs;
- *Limitation:* No incentive will be provided for any project expenses incurred prior to approval of the project with the exception of Village award funds;
- *Other Assistance:* When requested, the Village will assist developers in seeking State and Federal Incentives.

## **Award Programs**

The Village offers Retail Façade Improvement Awards, Downtown Retail Interior Improvement Awards Improvements and Fire Prevention System Improvement Awards to assist businesses locating or growing their business in Glen Ellyn. The Retail Façade Improvement Awards are available to new or expanding business applicants that complete an approved façade improvement to a building located in any commercial district throughout the Village. Downtown Retail Interior

Improvement Awards are available to new or expanding retail or restaurant business applicants that complete certain approved interior improvements in in the Downtown commercial area. The Fire Prevention System Improvement Awards are available to all new or existing businesses in the Downtown commercial area.

The Village Board has final authority to negotiate the terms of any economic incentive or to deny approval of an incentive proposal. The preceding guidelines do not limit Village Board action.

## **“Attachment A”**

### Conflicts of Interest

*Glen Ellyn Village Code: Title 1: Administrative, Chapter 12: Ethics,  
Section 5: Conflicts of Interest*

#### **1-12-5: CONFLICTS OF INTEREST:**

All civil servants shall avoid situations that present a conflict of interest, or a potential conflict of interest. It is the responsibility of all civil servants to solely serve the public interest of the village of Glen Ellyn. To achieve that requirement it is necessary to avoid situations that present dual interests that can compromise, or appear to compromise the objectivity of decisions.

- (A) Prohibited Transactions: No civil servant shall participate in any transaction in which: 1) a “financial interest” as defined in this chapter would present a conflict of interest or a potential conflict of interest, 2) a “nonfinancial interest” as defined in this chapter would present a conflict of interest or a potential conflict of interest, 3) participation would constitute a conflict of interest under the statutes or common law of the state of Illinois.
- (B) Recusal: Any civil servant shall recuse himself or herself in connection with any transaction that comes before such civil servant in the course of his or her duties, whenever such civil servant has: 1) any interest in the transaction; 2) any family relationship with a person having an interest in such transaction; or 3) any interest in an applicant appearing before the civil servant in an official capacity, even if the civil servant does not have an interest in the transaction itself.
- (C) Notification: Upon becoming aware of any conflict of interest as described in subsection (A) of this section, any civil servant shall promptly provide written notification, within forty eight (48) hours, to the appropriate authority of such conflict and the civil servant’s recusal from any official action with respect to the transaction, as follows:
  - 1. Employees, appointed officers or appointed volunteers shall notify the director of the department and the village manager;
  - 2. The Village Manager shall notify the village president and the board of trustees;
  - 3. Members of boards and commissions shall notify the chairperson of such board or commission;
  - 4. Chairpersons of boards and commissions shall notify the village manager, village president and the board of trustees;
  - 5. The Village President shall notify the Village Manager and the Board of Trustees;
  - 6. Any person serving in an elected position shall notify the village president, village manager and the other members of the board of trustees.

- (D) Nonappearance Before Same Board Or Commission: No civil servant required to recuse himself or herself in connection with a transaction shall appear before the board or commission of which he or she is a member with respect to such transaction.
- (E) Nonparticipation and Disclosure before Other Board or Commission: Any civil servant who has actual knowledge that he or she, individually or through a family relationship, has an interest in a transaction pending before a board or commission on which the civil servant does not serve as a member, either: 1) shall not appear or participate personally before the other board or commission on which he or she does not serve relating to such transaction; or 2) shall disclose such interest on the record prior to participating in any proceeding before a village board or commission.
- (F) Potential Conflict Of Interest: The Glen Ellyn community has a right to expect that the public interest will be served by all individuals involved in local government. To maintain the public trust it is imperative that civil servants present an image of objectivity and fairness in all official actions. Civil servants have the continual and ongoing obligation to promptly disclose not only any known conflicts of interest but also to identify any issues that may have the potential for a conflict of interest, and if they are in doubt to seek the opinion of the ethics officer. When such advice is sought, the ethics officer will determine if the potential conflict requires the civil servant to take or refrain from taking some action (Ord. 5921, 2-28-2011).

## **“Attachment B”**

### Exemptions to Home Rule Retailers and Service Occupation Taxes

*Village Ordinance 5740 (03/03/2009)*

#### **Retail and Service Sales that are Exempt from Taxes**

- Food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption)
- Drugs and medical appliances
  - Prescription and non-prescription medicines
  - Drugs
  - Medical appliances
  - Insulin
  - Urine testing materials
  - Syringes
  - Needles used by diabetics
- Tangible personal property that is titled or registered with an agency of State government (e.g. cars, trucks, motorcycles, trailers, snowmobiles, aircraft)



## Financial Information Required for Analysis of Public Funding Needs for a Development Project

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To properly consider potential public funding assistance for a proposed development, the Village must make a determination that such assistance is reasonable, necessary and in the public’s best interest in order to induce development. This determination requires that the municipality undertake a financial analysis of the proposed project in order to identify the nature and amount of any public assistance, and also help the Village identify the potential of the project to generate tax revenues in amounts sufficient to pay for any assistance provided. The results of the analysis would be used by the municipality in its decision-making process regarding potential Developer assistance.

Provided below is an outline of the information requested by the Village for financial incentive requests.

### **I. Description of Proposed Project**

#### **A. Description of property and proposed use**

1. Property size (by acreage or square footage)
2. Property characteristics
3. Access and utility needs of property
4. Type of use(s) proposed for the property

#### **B. Project Concept**

1. Nature of project (i.e. retail, residential, mixed, etc.)
2. Size and description of project (by square footage or number of units)

### **II. Developer Estimate of Project Performances/Tax Revenues**

#### **A. Market Potential for Project**

#### **B. If Retail – Developer Estimate of Sales Potential**

1. By retail type/use – gross sales for each
2. By sales per square foot for each use

#### **C. If Residential Units for Sale (Single-Family Detached, Townhomes, Condos)**

1. Gross building area or number of units
2. Total number of units

3. Average unit size in square feet
4. Average estimate sales price per unit
5. Number of parking/garage spaces if condominium (specify if above ground, underground, parking structure, etc.)
6. Estimated total hard costs per square foot or per unit
7. Estimated hard costs for parking per space (if condominium, and/or separate parking structures)
8. Sales absorption schedule
  - a) Units sold per month until 1<sup>st</sup> full year
  - b) Units sold per year through close out

### **III. Developer Pro Forma Outline**

#### **A. Cost of Development Estimates**

1. Acquisition
2. Site preparation/demolition costs/environmental
3. Cost of construction (hard costs total and per square foot or per unit)
4. Fees/soft costs
  - a) Architect and engineering
  - b) Legal
  - c) Surveys
  - d) Permits and inspection
  - e) Leasing commissions
  - f) Construction management
  - g) Developer's fee
5. Construction financing interest
6. Contingencies
7. Total estimated project cost

#### **B. Proposed Financing**

1. Total cost of redevelopment
2. Private financing for project
  - a) Mortgage debt
  - b) Equity contributions
3. Amount of public assistance requested

**C. Annual Cash Flow Analysis, if Retail (10 years)**

1. Estimated gross annual revenue
  - a) Gross leasable building area
  - b) Net leasable area
  - c) Annual rent
  - d) Annual income (all sources)
  - e) Less: vacancy factor
  - f) Gross annual revenue
2. Net income before debt service, if retail
  - a) Gross annual revenue
  - b) Less: annual expenses
    - i. Management fees
    - ii. Maintenance
    - iii. Taxes
    - iv. Utilities
    - v. Insurance
    - vi. Other
  - c) Net income before debt service
3. Developer income from project
  - a) Net income before debt service
  - b) Less: annual debt service
  - c) Developer cash flow
  - d) Developer rate of return on investment

**D. Sales/Profit Analysis, if Unit Sales**

1. Revenue expected to be generated
  - a) Estimated gross sales (for each year through full absorption)
  - b) Any other sources of income from the project
  - c) Total gross revenue
2. Net income before debt service (retirement)
  - a) Total gross revenues (for each year through full absorption)

- b) Less: annual expenses
    - i. Management fees
    - ii. Sales commissions
    - iii. Maintenance
    - iv. Taxes
    - v. Insurance
    - vi. Other
  - c) Net income before debt service (retirement)
3. Developer profits from project
- a) Net income before debt service (retirement)
  - b) Less: Annual debt service or finance take out
  - c) Developer profits (by year and show cumulative through full absorption)
  - d) Developer rate of return on investment



## Sources & Uses Analysis

Sources:	
Estimated Supportable Loan	\$
Estimated Supportable Equity	\$
Total Private Financing Sources	\$
Uses:	
Acquisition	\$
Site Preparation	\$
Construction Costs	\$
Soft Costs	\$
Contingencies	\$
Total Project Uses	\$
Surplus/Shortfall of Sources	\$

- A. If private financing sources exceeds project uses, then no public subsidy is justified.
- B. If private financing sources are less than project uses, then demonstrated shortfall equals amount of public subsidy justified.
- C. If subsidy justified by this analysis, then the Village may consider assistance to developers based on the project's ability to generate sufficient tax revenues to support subsidy plus any additional revenues as may be desired by the Village for its use.

