



## TAX INCREMENT FINANCE (TIF) PROGRAM

### GOAL:

The goal of the City of Altoona's Tax Increment Finance (TIF) Program is to enhance the industrial and commercial property tax base in the city by extending and improving city infrastructure to promote the development of industrial and commercial properties.

### GENERAL POLICIES: Following are policies for the city's TIF program

- The City will provide TIF funds only for the purposes of improving city physical infrastructure and structures as well as for structural and infrastructure improvements to privately owned industrial and commercial properties.
- The City will give priority to the use of TIF funds for public infrastructure improvements.
- The decision whether to use economic development incentives shall remain with the City Council, to be determined on a case-by-case basis, and this policy shall not be construed as obligating the City to use economic development incentives for projects satisfying the criteria set forth in this policy.
- The Council shall favor the use of Industrial Tax Abatement (Code of Iowa, Section 427B.3 and Code of Altoona, Chapter 8.04) over other forms of TIF funding, a business or organization must demonstrate that the development costs incurred in the project that qualify for funding as outlined in this policy has a substantial impact on the project. A project shall not have tax abatement and other forms of TIF funding together.
- Any project making application for TIF funds must be located in a designated TIF district.
- The City will not advance TIF funds if it believes that the use of TIF funds will give a business an unfair advantage over a like existing business in the City.
- "Chain" type convenience stores, service stations, or fast food restaurants will not be eligible for TIF funds.
- If the City has already extended TIF funds to improve a property, the City may reduce the amount of TIF funds assistance for subsequent improvements to a property.

### POLICIES FOR PRIVATE DEVELOPMENT:

- Minimum added valuation for consideration of Tax Increment Rebate (TIR) is \$100,000.00
- TIF for privately owned industrial and commercial properties shall not exceed 5 years worth of added taxes generated from the project. These funds are generally considered for infrastructure development costs incurred due to existing site locations or conditions (water and wastewater services, importing fill material or extensive grading, stormwater sewerage, infrastructure costs associated with redevelopment, building removal).
- The City may provide TIF up to a maximum of 5 years worth of property taxable improvements on the property. The City will take into account its costs related to the advancement of a TIF agreement and deduct this amount from the total advanced in the agreement.

**CRITERIA:** The following are criteria the city will consider when reviewing requests for TIF.

- New businesses or existing businesses located in the city that is improving property with expanded infrastructure or building expansion.
- New or existing businesses that are compatible with the community environment.
- A new business or expansion of an existing business will not cause undue stress on city services or infrastructure.
- Projects in an area that would not develop to full potential without the use of TIF funds.
- Demonstration of need: Provide information for the project costs of improvement that are considered for this program.

**APPLICATION PROCEDURES:** The City's procedures for TIF application are as follows:

- Any business interested in applying for TIF funds should submit its preliminary application as soon as possible to the City. At a minimum, a business must submit an application for TIF funds prior to submittal of a "site plan" to the City.
- An applicant shall submit a preliminary TIF application to the City when applying for TIF assistance. All information provided on the form will be held in the strictest confidence by the City. However, when the City gives preliminary and final approval of TIF assistance, the amount of TIF assistance will be of public record.