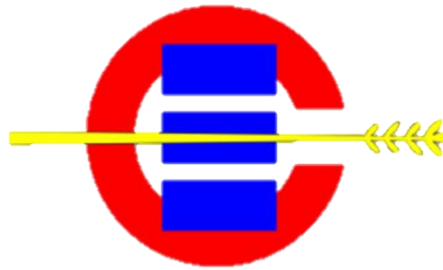


***Elkhart County Redevelopment Commission***  
***TIF Reimbursement Incentive***  
***Pre-Application Packet***



***January 2019***

# Before You Apply for TIF Incentives...

Ask yourself the following questions:

- (1) Is my project eligible for TIF reimbursement?
- (2) Am I willing to work with public-money requirements?
- (3) Is my project in line with redevelopment values?

If the answer is **NO** to any of these three questions, we **do not** encourage you to go through the TIF incentive application process. To help you determine your answers to the three questions above, we've created the following guide:

(1) Is my project TIF Eligible?

Does my project require the extension of any public utilities in the Right-of-Way?	Yes	No
Does my project require the restructuring or construction of a <u>public</u> roadway?	Yes	No
Does a fair amount of my project occur on government owned/public land?	Yes	No
Does my project solve a public issue in my geographic area? <i>(Drainage, transportation, redevelopment of hazardous land/building, etc.)</i>	Yes	No
Does my project include a capital project that will benefit others around me?	Yes	No
If you answered <b>YES</b> to at least one of these, your project <b>could be eligible</b> for TIF reimbursement.		

(2) Am I willing to work with TIF requirements?

Is my project location in or near a pre-existing TIF district?	Yes	No
Am I willing to put the public portion of my overall project to a public bid?	Yes	No
Am I willing to go through a project vetting process and willing to present before the Redevelopment Commission at a public meeting?	Yes	No
Do I have several months to a year until I want to break ground on the project?	Yes	No
Do I have funding now that can be reimbursed later?	Yes	No
If you answered <b>NO</b> to any of these, your project <b>might not</b> be best suited for TIF incentives.		

(3) Is my project in line with redevelopment values?

Am I willing to go above and beyond in my building and landscaping standards?	Yes	No
Am I willing to include other quality of place capital-projects along with my larger overall project? <i>(art installment, multi-use trail, green spaces)</i>	Yes	No
Am I building near a municipality edge rather than way out in the country?	Yes	No
Am I developing a dilapidated site, making it a community asset rather than blight?	Yes	No
Am I willing to include education and re-training into my business plan?	Yes	No
If you answered <b>YES</b> to one or more of these, your project is <b>likely in line</b> with redevelopment values.		

## Public vs. Private: Property & Projects

When implementing a large utility project, it can be tricky to remember that the project as a whole can be divided up into two sub-projects: The Public Utility Project and the Private Utility Project.

Namely, the difference depends on where the improvements are being installed — on private land or on public land.

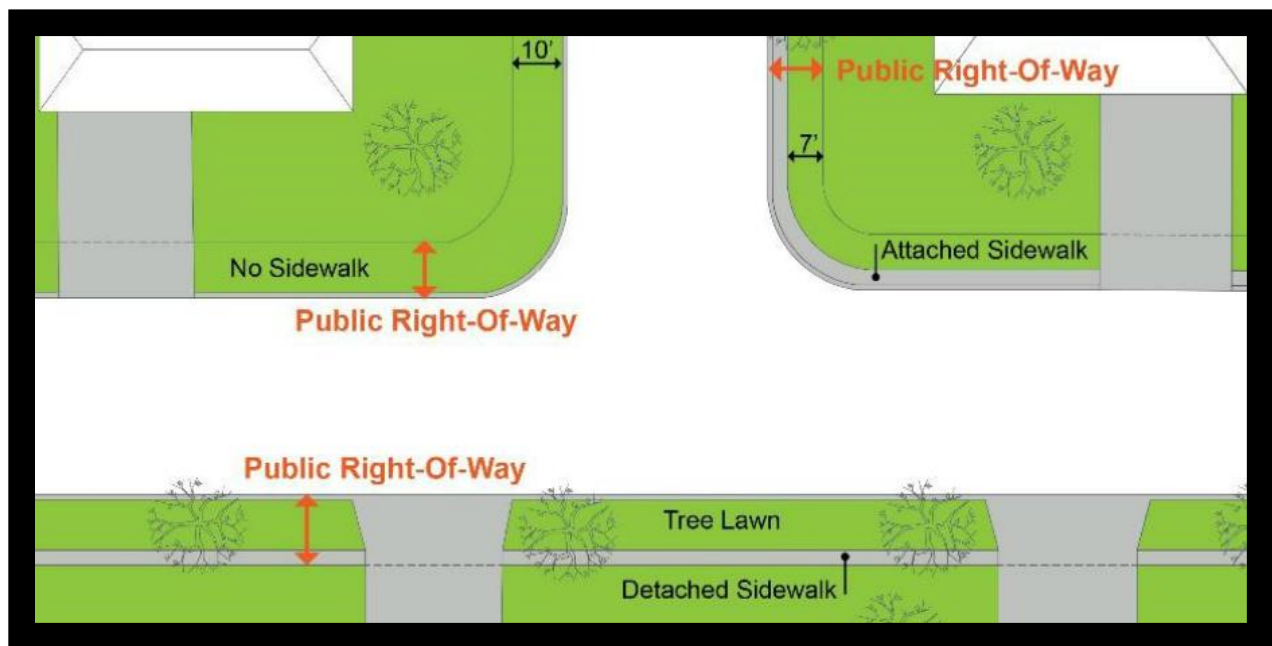
Public land includes public roads, government easements, any parcels owned by a government entity, and public Right-of-Way (R.O.W.). Public Right-of-Way is often best recognized as that strip of grass on the edge of your property along the road that the property owner maintains but doesn't pay taxes on.

R.O.W. along roads provides space that often serves three main functions:

(1) public drainage, (2) utilities installation, and (3) future expansion of transportation infrastructure.

Any engineering, construction labor, or materials costs associated with parts of the project that are on the public side of the R.O.W. line generally counts as a public improvement costs. Any engineering, construction labor, or materials costs associated with parts of the project that lie on the private side of the R.O.W. line are **NOT** considered public improvement costs, and thus, are not eligible for TIF reimbursement.

It is also important to note that any public improvement projects that public money helps to fund **MUST** go through a transparent public bidding process. This often takes a little bit more time than simply hiring an agency the private developer is used to working with. The private developer can choose to work with the same group who wins the public bid for the private portion of the improvement project, or, they may hire another entity to work on the portions of the project that are associated with privately owned land.



Above: Illustration showing common public right-of-way widths and set-ups in a residential district.

# What Qualifies as a Public Improvement Project?

Indiana Code 36-7-15.3-6. generally defines “Local public improvement” as any redevelopment project or purpose of a commission or a unit under IC 36-7-15.1 or IC 36-7-30. Any improvements that the Redevelopment Commission puts TIF funds towards **must serve the public**.

This means that: (a) more than one party should benefit from the improvement; (b) the improvements should serve a larger system or geographical area when possible; and (c) that TIF funds can’t be spent on privately held land. Below are examples of projects that do and do not qualify as public improvement projects.

Type of Project	May Qualify as Public Utility	Does NOT Qualify as Public Utility
New Roads	(A) New road put in to serve several property owners; (B) New road more directly connects public land to major roadway; (C) New road already in highway’s 5 or 10 year plan.	(A) New road that extends from the main road to private buildings that all have the same property owner or serve the same operation.
Road Expansions	(A) Turn lanes put in to improve safety of roadway due to traffic from increased industry; (B) New lanes put in to meet demand of increased commercial and commuter traffic.	(A) Expansion of road or drive on private property; (B) Expansion of road that only serves one landowner or operation.
Road & ROW Improvements	(A)Landscaping & boulevard improvements on public roads in “gateways” for improved quality of place; (B) Bike lanes or separated paths to build connectivity between municipalities and places of interest; (C) Trail or bike lane that goes through private development, but connects up with a public trail/bike lane on either side of the trail/bike lane on private land.	(A)Landscaping or boulevard improvements on private roads that only service one land owner or operation; (B) Sidewalks within private development that serves only one land owner or operation.
Signaling	(A)New traffic lights on public road; (B) New traffic signs on public roads; (C) Crossing signals to help cross public roads.	(A)Traffic signs and signals on private property to manage internal traffic on a commercial, industrial, or other campus.
Water/Sewer Lines	(A)Waterline extended in R.O.W. by a half mile or more from current end location; (B) Serves several property owners; (C) Extension constructed as loop project, improving water pressure of whole system.	(A)Water utility is already in front of or very near to your property line; (B) Construction of waterline extending from the road to your buildings on private property.
Stormwater, Drainage, & River-Related Improvements	(A)To-be-county-owned ditch that is part of a larger storm water project initiated by the county; (B) Swales along roadway in R.O.W; (C) Bridges on public roads; (D) Public access sites along river on public property or on an easement.	(A) Drainage required on your site plan or DPUD; (B) Ditch that is not dedicated to the county; (C) Any water retention for runoff from your property in particular; (D) Culvert and bridge installation for drives/roads that serve one landowner or operation; (E) River access project for private/paid use.
Other Water Projects	(A)Installation of water tower or waste processing plant to serve a larger geographic area or municipality.	(A) Installation of private water tower, on-site fire suppression, or onsite waste treatment that serves one operation or one landowner.

## At A Glance: Likely TIF Reimbursement by Industry

The Redevelopment Commission decides how much they will reimburse a public improvement project based on how the project lines up with their goals for the corresponding TIF District.

The chart below shows the percentage of total reimbursement that you may receive from TIF based on industry. Note that private developments and public projects that go above and beyond with their quality-of-place standards have a good chance of receiving a higher reimbursement than what is predicated below. Also note that developers who have been awarded tax abatements or exemptions cannot not receive reimbursement as TIF reimbursement funds come from property tax generated by parcels in the TIF district.

	40%	45%	50%	55%	60%	65%	70%	75%	80%	85%
<b>HEALTHCARE</b>										
Small clinic, practice, common facility										
Hospital/large medical facility										
Facility to implement new technologies										
Facility to implement new specialization										
<b>ELECTRONICS</b>										
Facility focused on green energy										
Facility focused on data & fiber										
Facility focused on robotics/ automation										
Other technology focused facility										
<b>MANUFACTURING/PROCESSING</b>										
Operation primarily supporting an major industry in county										
Operation primarily supporting an industry less represented in county										
Operation that supports a desirable industry not represented in county										
<b>PROFESSIONAL / BUSINESS</b>										
Financial & Accounting institutions										
Other non-medical facility										
<b>REALTY DEVELOPMENT*</b>										
<b>COMMERCIAL / SERVICE / RETAIL</b>										
<b>MUNICIPAL DEVELOPMENT</b>										

## ***Other Developer Considerations***

A TIF reimbursement agreement is often expressed as two percentages:

- (1) Percentage of total Public Project costs to be reimbursed
- (2) Percentage of annual tax increment that will be dedicated to reimbursing the developer.

The higher the second percentage, the faster the reimbursement will be paid.

It is important to note that this incentive is a reimbursement, meaning, the developer needs to have upfront funding available for the total improvement project on public and private land. The purpose of a TIF reimbursement incentive is to help private developers re-coop costs on projects they initiated that help development and land value of the area around them.

TIF reimbursement is not the most helpful for small projects (example: one small turn lane right next to your entry way or extending a waterline by 50 feet in the right of way). TIF Reimbursement also is not as good of a fit for major development projects that take up several acres as a bond agreement would be. The sweet spot for TIFs is the extension and redevelopment of utilities, roads, and public access projects that benefit, at minimum, several land owners or business operations. If you have any questions as to if your project is suited for TIF reimbursement, or if you have questions about the bond process, please give us a call.

If your project is concerned with a brownfield or other environmental remediation, please reach out to us as a variety of different tools are often available at the government level to help with these kinds of projects beyond traditional TIF reimbursement.

## ***Next Steps and What to Expect***

Before you apply for a TIF reimbursement incentive, you should have a good grasp on your project details.

The application will ask you for detailed site maps, accurate budgets of private and public portions of the improvements you are making, and will ask for a simple business plan to help the Redevelopment Commission assess the risk associated with supporting your project.

If you are at a preliminary stage in your project, we **do not** suggest that you begin the application process, but instead invite your team to reach out to us with any questions.

When you are ready to apply, we will ask for your application to be submitted 13 business days before the Redevelopment Meeting at which your request will be heard (see 2019 schedule on next page). This gives staff time to review your application, request additional information for completeness if necessary, and to schedule a meeting with the Application Sub Committee before sending the information out to the whole Redevelopment Commission 3 days before the public Redevelopment Meeting.

Along with your application, we will ask for an application fee of \$2,500 and a business plan. We will include a template for a business plan with the application, but if your team already has materials that covers the same topics, you may submit the pre-conceived document in place of the business plan template.

On the day of the public Redevelopment Meeting, if your team and the commission come to an understanding, a preliminary resolution will be written up and work on the interlocal agreement will begin. The interlocal agreement is the legally binding document that spells out all the finer details of the agreement. Creating an interlocal that both parties agree on can take on average one to four months depending on the responsiveness of the developer's team. The deal is not final until the final interlocal is signed by all parties.

## 2019 Deadline and Meeting Schedule

To Present at RDC Meeting Dated...	Submit Application & Fee by...	Supply Any Additionally Requested Information by...
Thursday, Feb. 7 <sup>th</sup>	Monday, Jan. 22 <sup>nd</sup>	Wednesday Jan. 30 <sup>th</sup>
Thursday March 7 <sup>th</sup>	Monday, Feb. 18 <sup>th</sup>	Wednesday Feb. 27 <sup>th</sup>
Thursday April 4 <sup>th</sup>	Monday March 18 <sup>th</sup>	Wednesday March 27 <sup>th</sup>
Thursday May 2 <sup>nd</sup>	Monday April 15 <sup>th</sup>	Wednesday April 24 <sup>th</sup>
Thursday June 6 <sup>th</sup>	Monday May 20 <sup>th</sup>	Wednesday May 29 <sup>th</sup>
Thursday July 11 <sup>th</sup> (affected by holiday)	Monday June 24 <sup>th</sup>	Wednesday July 3 <sup>rd</sup>
Thursday August 1 <sup>st</sup>	Monday July 15 <sup>th</sup>	Wednesday July 24 <sup>th</sup>
Thursday September 5 <sup>th</sup>	Monday August 20 <sup>th</sup>	Wednesday August 28 <sup>th</sup>
Thursday October 3 <sup>rd</sup>	Monday September 16 <sup>th</sup>	Wednesday September 25 <sup>th</sup>
Thursday November 7 <sup>th</sup>	Monday October 21 <sup>st</sup>	Wednesday October 30 <sup>th</sup>
Thursday December 5 <sup>th</sup>	Monday November 18 <sup>th</sup>	Monday November 26 <sup>th</sup> (affected by holiday)

## Contact Information

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 Public Services Building  
 4230 Elkhart Rd. Goshen, IN 46526

TIF Reimbursement Application files can be found online at: <http://bit.ly/TIFappEC>