



**BUSINESS
ASSISTANCE
PROGRAMS**

MAY, 1998

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Small Town Charm • Big City Appeal

VETERANS MEMORIAL FOUNTAIN ON THE SQUARE * NATIONAL SHRINE OF OUR LADY OF THE SNOWS*
ART ON THE SQUARE*LINDENWOOD UNIVERSITY* SOUTHWESTERN ILLINOIS COLLEGE *
METROLINK LIGHT RAIL SYSTEM * MIDAMERICA AIRPORT * BELLE VALLEY INDUSTRIAL PARK *
WINNER OF TREE CITY USA AWARD* SISTER CITY OF ST. LOUIS, MISSOURI & PADERBORN, GERMANY*

SUMMARY OF INCENTIVES

A. City of Belleville Programs

1. Enterprise Zone
2. Tax Increment Financing (TIF) Districts

B. Other Resources/Sources of Financial Assistance

C. Business Assistance Program Application Process

D. Business Assistance Program Application

E. Maps

1. Enterprise Zone
2. Tax Increment Financing (TIF) Districts

A. CITY OF BELLEVILLE

BUSINESS ASSISTANCE PROGRAMS

INTRODUCTION & PURPOSE STATEMENT:

In an effort to attract new business development and growth to Belleville as well as assist existing firms to expand thereby increasing the local tax base and further providing job opportunities, the Belleville, Illinois City Council has established several programs to provide various financial incentives and inducements. One of the primary goals of the City Administration is to provide a suitable environment and delivery of essential public services to attract and enhance new business development and investments. Programs that the City of Belleville presently offers new and existing businesses includes: 1.) Property and Sales Tax Abatements through the Belleville Enterprise Zone; 2.) Public Improvements through Tax Increment Financing (TIF) Districts; and 3.) Financial inducements to private enterprises via tax increment financing.

Each of these programs have proven successful in meeting the diverse development needs of the business community as well as serve to place Belleville in a more competitive position in working with the private sector in assisting them in making the decision to locate or expand within the corporate limits of Belleville. The City works in close cooperation with agencies and economic development organizations such as the Greater Belleville Chamber of Commerce, St. Clair County Intergovernmental Grants Department, Southwestern Illinois Development Finance Authority, utility companies and various state agencies to pool resources and expertise in putting together proposals and incentives to assist businesses.

This pamphlet therefore is designed to provide background information on the available community and economic development programs and resources that the City can provide in conjunction with several agencies.

Questions and/or inquires should be directed to:

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101 South Illinois Street
Belleville, IL 62220
Phone: (618) 233-6810
Fax: (618) 233-6779
Email: meckert@belleville.net

Eric Schauster
Economic Development/Grants Coordinator
101 South Illinois Street
Belleville, Illinois 62220
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Fax: (618) 355-4209
Email: eschauster@belleville.net

1. ENTERPRISE ZONE

Established in 1985, the Belleville Enterprise Zone is one of Illinois' oldest and most successful. The program is designed to provide certain tax-related incentives and benefits to encourage and foster new business development to stimulate new job creation as well as retention of existing jobs.

The Belleville Enterprise Zone encompasses approximately 10 square miles situated primarily in the central core area of the community and extends along Route 15 (See attached maps, depicting Enterprise Zone and TIF Districts respectively). Through the Enterprise Zone, projects can be considered for Certification for Exemption of Sales Tax on Building Materials that will be used in an approved project located within the Belleville Enterprise Zone.

Furthermore, the City offers potential partial abatement of real estate taxes directly related to new and expanded commercial and industrial development projects that occur within the designated Zone boundaries. The five-year potential property tax abatement is based upon the increase in the assessed valuation resulting from the physical improvements. This five-year time frame is subject to change due to the existing life of the Enterprise Zone.

Neither the Certification for Exemption of Sales Tax on Building Materials nor the Property tax abatement, which is based upon the assessed value of the physical structure to be constructed/renovated, is automatic. Each project is reviewed by City staff with both employment and private investment having equal importance. Based upon these two (2) major criteria and other notables, the City staff will make a recommendation to the City Council on what particular incentives, if any, should be offered after both the short and long term financial ramifications to the City are projected or should those incentives be legally committed.

The Business Assistance Program Application (attached) must be completed in its entirety for the City to properly review the project's merits. Business Plans, Company Performa(s), Financial Statements, Marketing Information, etc. describing the business are welcomed as a part of the application process.

CRITERIA:

In order for a business to be considered for a potential Certification for Exemption of Sales Tax on Building Materials and/or Property Tax Abatement, the following requirement must be met:

1. Must be a legally established "for profit" business enterprise recognized by the Illinois Department of Revenue and must further be in good financial standing.
2. Project must take place within the limits of the Belleville Enterprise Zone to be eligible for any potential incentives and/or inducements.
3. Generally, businesses determined eligible shall include commercial establishments both retail and wholesale, service businesses including professional offices, industrial firms including manufacturing and warehouse facilities.
4. Business must be located in an area suitably zoned for the purposed use.
5. Business must create or retain at least three (3) permanent (full time equivalent) jobs within 24 months of projected completion.

6. Project must increase the assessed valuation of the property by 10% over and above the current assessed valuation of the property.
7. Business must show evidence of financial capacity to complete the project. This may involve letters of credit, documentation of conventional loans, availability of owner equity and other financial resources, etc.
8. Project must be of a nature in which a building permit is required to be obtained through the City of Belleville and as such application is submitted and permit approved.

It is important to note that businesses located in an “overlapping” Tax Increment Financing (TIF) District and the Enterprise Zone **are NOT** eligible to receive Abatements on the increased assessed valuation based on improvements initiated. Instead, Property Tax **Rebates** for “overlapping” areas are possible.

Please also note the *Policy on the Certification for Exemption on Building Materials* as it relates to Multi-Family housing further in this document.

PENALTIES:

In the event that the business fails to meet its obligations of any and all incentives approved by City Council, any and all public funds provided under the Enterprise Zone program shall be repaid to the City of Belleville by the business and all remaining amounts to be provided if any, shall be terminated.

POLICY ON CERTIFICATION FOR EXEMPTION OF SALES TAX ON BUILDING MATERIALS For Residential Multi-Family Dwellings* Within the City of Belleville Enterprise Zone

It shall be the policy of the City of Belleville to declare ineligible for Certification for Exemption of Sales Tax on Building Materials the following:

- A. Proposed Multi-Family Dwellings* not permitted for construction via the building permit process prior to May 1, 2000.
- B. Existing Multi-Family Dwellings* proposed for renovation and/or remodeling unless the housing density is reduced by 25% or more and 10% of the site is retrofitted as open space.

This policy shall be made a part of the Business Assistance Program pamphlet dated May, 1998 and Revised November, 2002 and March, 2005 and be strictly adhered to unless the Belleville City Council votes in a 75% majority to approve the Certification for Exemption of Sales Tax on Building Materials for a certain project.

*Defined as residential structures suitable for occupancy for two (2) or more families within any current zoning classification of the City of Belleville including Planned Unit Developments (PUD); Excludes Multi-Family Dwellings to be utilized exclusively (100%) as housing for senior(s) (62 years of age and older).

2. TAX INCREMENT FINANCING

The City of Belleville has several active Tax Increment Financing (TIF) Districts (see map attached) that were established to provide a funding mechanism to promote and enhance redevelopment in specific areas of the community. A TIF district must meet specific criteria as being “blighted or conservation areas” as prescribed by Illinois State Statutes. The TIF program enables the City to capture “incremental property taxes” generated from improvements and redevelopment occurring within the TIF boundaries over the life of the TIF. The legislation allows TIFs to continue for 23 years from the date the district is established.

TIF funds generated within the district are retained by the City and are generally used for a variety of public activities including; acquisition of property, infrastructure improvements, low interest loans, and other eligible costs as specified in the statutes which are directly beneficial to the applying business.

If a Business Assistance Program application is approved, the City will enter into a “Development Agreement” with a business that either locates or makes substantial improvements to existing facilities within the TIF district. Through the agreement, the business agrees to complete the project and make certain improvements. In return, the City could reimburse the business an agreed upon amount of funds derived from the “increase” in the property taxes that the project generates depending upon the merits of the project. Job creation and private investment must be adequately documented for such a Development Agreement to even be considered.

The amount of the potential abatement or rebate offered shall further be determined by the various agreements that the City has with the participating taxing bodies (i.e. school districts and St. Clair County).

PROCEDURES:

In order for a business to be considered for the potential abatement of property taxes (Rebate in “overlapping” TIF/EZ areas), the following steps and procedures are required to be followed:

1. Applicant project must be located within the boundary of a TIF district.
2. Applicant business must complete and return the appropriate application forms (attached) Part(s) I-VI.
3. Applicant should be supplemented by pertinent documentation (i.e. number of jobs to be created/retained, total amount of investment, construction schedule, evidence of project financing, etc.).
4. Completed applications will be submitted to the Economic Development & Planning Department for review and comment. Incomplete forms will be returned to the applicant with an explanation on additional information as may be required.
5. Within thirty (30) days of acceptance of the application and required documentation, the Economic Development & Planning Department will submit the application for review to the Staff Incentive Review Committee (SIRC).
6. The SIRC shall consist of the Finance Director, City Treasurer, City Clerk, Director of Health & Housing, a representative from the Economic Development & Planning Department and the City Attorney. The SIRC will review and consider the application and act upon it as promptly as

possible. SIRC meetings are regularly scheduled the 4th Wednesday of each month and begin promptly at 10:00 a.m. Applicants are encouraged to attend but attendance is not required. For an application to be considered at the next SIRC meeting, submission of the application packet shall be made a minimum of seven (7) working days prior to the 4th Wednesday of the month. The Staff Incentive Review Committee (SIRC) may defer action on any application pending further information required to clearly evaluate the project. It shall be the responsibility of the applying business to supplement the application with information as may be required by the Economic Development & Planning Department in a timely manner. Otherwise the SIRC will provide a recommendation to the Economic Development/Annexation Committee and Finance Committee of City Council.

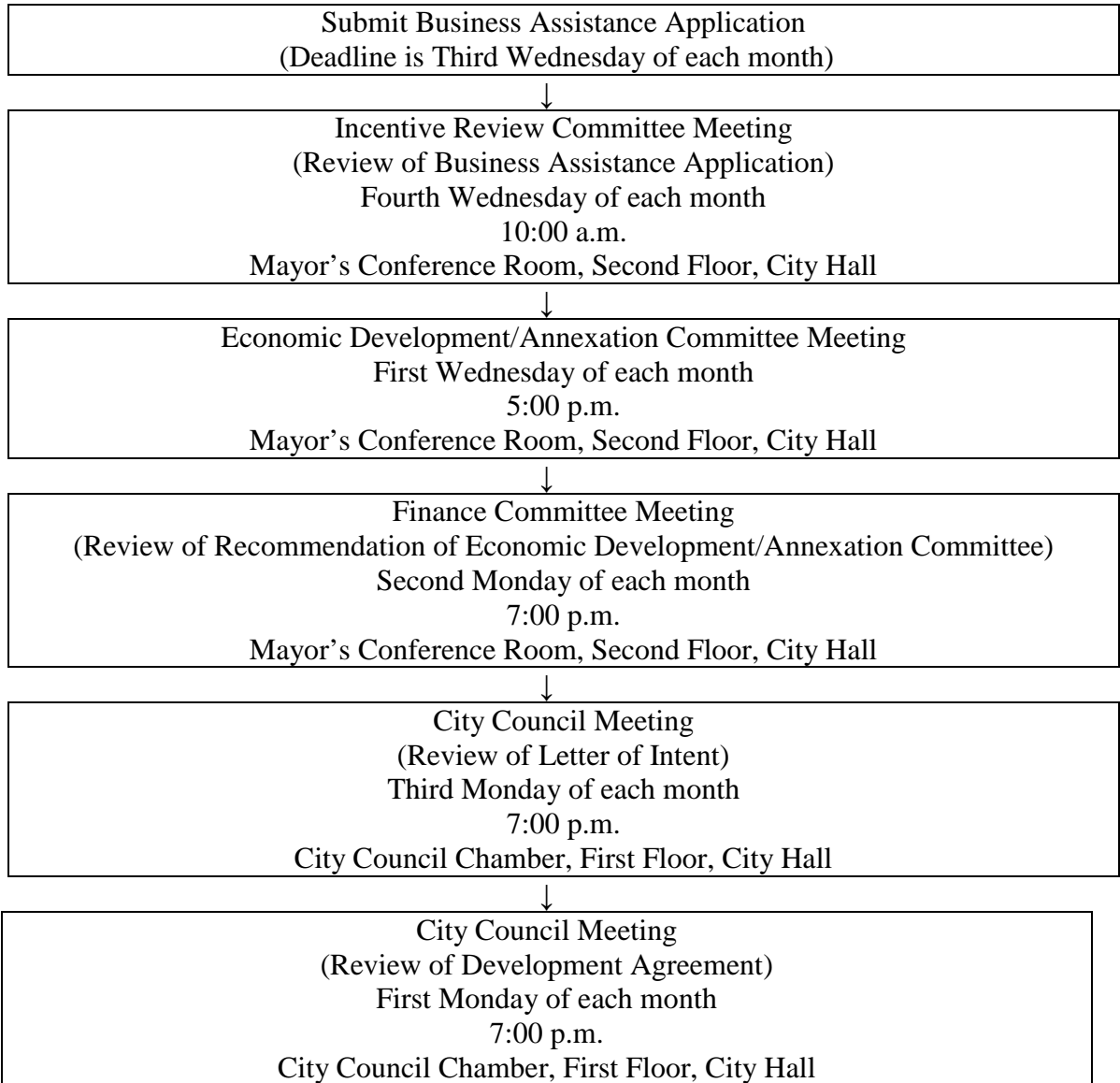
7. The Finance Committee shall approve, deny or amend the application. The decision of the Committee shall be made in an open meeting properly held and advertised. The Committee shall further provide the business with a written response of the actions of the Committee on the status of the application. If approved by the Finance Committee, the application will be incorporated into a "Letter of Intent" outlining the specific terms and conditions of the property tax abatement (Rebate in TIF/EZ overlapping areas). The Letter of Intent will be forwarded to City Council for approval.
8. The Finance Committee shall respect the confidentiality of financial records of the business as allowed by law.
9. The recommendation of the Finance Committee must be submitted and approved by a majority vote of the City Council before any property tax abatement (Rebate in TIF/EZ overlapping areas) and/or incremental property tax usage can be realized.
10. If approved* by the City Council, the Letter of Intent will be turned into a Development Agreement with the specific terms and conditions made a part.

*Private investment and/or jobs created prior to City Council approval shall not be considered in the review process.

B. Other Resources/Sources of Financial Assistance:

1. St. Clair County Economic Development Department
10 Public Square, Room A300
Belleville, IL 62220
(618) 277-6600, Ext. 2672
<http://www.co.st-clair.il.us/Departments/Economic+Development/default.htm>
2. Illinois Department of Commerce & Economic Opportunity (DCEO)
1022 Eastport Plaza Drive
Collinsville, IL 62234
(618) 304-9466
www.illinoisbiz.biz
3. Illinois Finance Authority
150 East Pleasant Hill Road
P.O. Box 46
Carbondale, IL 62901
(618) 453-5566
www.idfa.com
4. Small Business Development Center
Alumni Hall 2126
Campus Box 1107
Edwardsville, IL 62026-1107
(618) 650-2929
<http://www.siu.edu/BUSINESS/sbdc/index.html>
601 James R. Thompson
Campus Box 1200
East. St. Louis, IL 62201
(618) 482-8330
5. Southwestern Illinois Development Authority (SWIDA)
1022 Eastport Plaza Drive
Collinsville, IL 62234
(618) 345-3400
www.swida.org
6. Belleville Main Street
227 East Main Street
Belleville, IL 62220
(618) 239-9428
www.bellevillemainstreet.net
7. Greater Belleville Chamber of Commerce
216 East 'A' Street
Belleville, IL 62220
(618) 233-2015
www.bellevillechamber.com

C. Business Assistance Program Application Process



***This is a multi-step process that can take up to a minimum of 5-6 weeks for final approval.**

**CITY OF BELLEVILLE
BUSINESS* ASSISTANCE APPLICATION**

**FOR REDUCTION OF PROPERTY TAX ON PROPOSED IMPROVEMENTS AND
ABATEMENT OF SALES TAX ON BUILDING MATERIALS
INCREMENTAL PROPERTY TAX FOR PUBLIC AND/OR PRIVATE IMPROVEMENTS**

PART I- PROJECT INFORMATION: (To be completed by Project Owner or Agent)

1. Name of Applicant: _____
2. Street Address: _____
3. City: _____ State: _____ ZIP: _____
4. Name of Business/Company (if different from applicant): _____
- 4a. Federal Tax I.D. #: _____
5. Contact Person/Title: _____
6. Phone: _____ Fax: _____ e-mail: _____
7. Street Address of Proposed Project: _____
8. Permanent Parcel # (From Real Estate Tax Bill or St. Clair County Assessor's Office)
P.P. #: _____
- 8b. Is project located in the City of Belleville Enterprise Zone? NO YES
(See attached Enterprise Zone Map)
- 8c. Is project located within a Tax Increment Financing (TIF) District? NO YES District # _____
(See attached TIF District Map)
9. Does this project include New Construction Remodel/Rehab of existing structures
 Major Paving New Capital Equipment
10. General Description of Proposed Project: _____

11. Project Classification: (specify) Commercial Industrial SIC # (Standard Industrial Classification)
12. Expected Project Start Date: _____ Expected Project Completion Date: _____

13. Estimated Cost of:

Remodeling/Rehabilitation (Total): \$ _____

 Labor: \$ _____

 Material: \$ _____

New Construction (Total): \$ _____

 Labor: \$ _____

 Material: \$ _____

Capital Equipment: \$ _____

Site (Acquisition/Preparation, etc.) \$ _____

 Total Estimated Project Cost: \$ _____

14. Number of Full Time Equivalent (FTE) Jobs:

a. Presently at project location: _____

b. Present Jobs to be Retained** : _____

c. Created*** within one (1) year of project completion: _____

d. Additional Jobs Created after one (1) year and within two (2) years: _____

15. Does this project involve a move from another location: NO YES

(If YES, indicate City and State): _____

16. Projected Annual Sales Subject to Sales Tax: _____

17. Incentives Being Sought: Certificate of Eligibility for Sales Tax Exemption (EZ)

Abatement of Property Tax on Incremental Improvements (Areas where only EZ **OR** TIF exist)

Rebate of Property Tax on Incremental Improvements (**TIF/EZ Overlap Area**)

**"Business" is defined as a commercial or industrial land user.

***"Retained" means the number of jobs that will remain in the zone as a result of the new investment being made.

****"Created" means the number of jobs for which persons are hired or are expected to be hired within 2 years as a result of the new investment, not including construction jobs or spin-offs that may be created.

****The City of Belleville can provide technical assistance on site design for small-scale projects.

PART II- ESTIMATED TAX REBATE/ABATEMENT

A. Estimated EAV (Equalized Assessed Valuation) Land: \$ _____
After Project Improvements: Improvements: \$ _____
(To Be Completed By City Staff)

B. Current EAV (Equalized Assessed Valuation) Land: \$ _____
Of Property (Obtainable from St. Clair
County Assessor's Office) Improvements: \$ _____
Total: \$ _____

C. Difference/Annual Basis
(To Be Completed By City Staff) \$ _____

PART III- ADDITIONAL PROJECT INFORMATION

Please include any available information such as a Business Plan, Financial Statements, etc., that can provide information, project wise, for the City Staff to review.

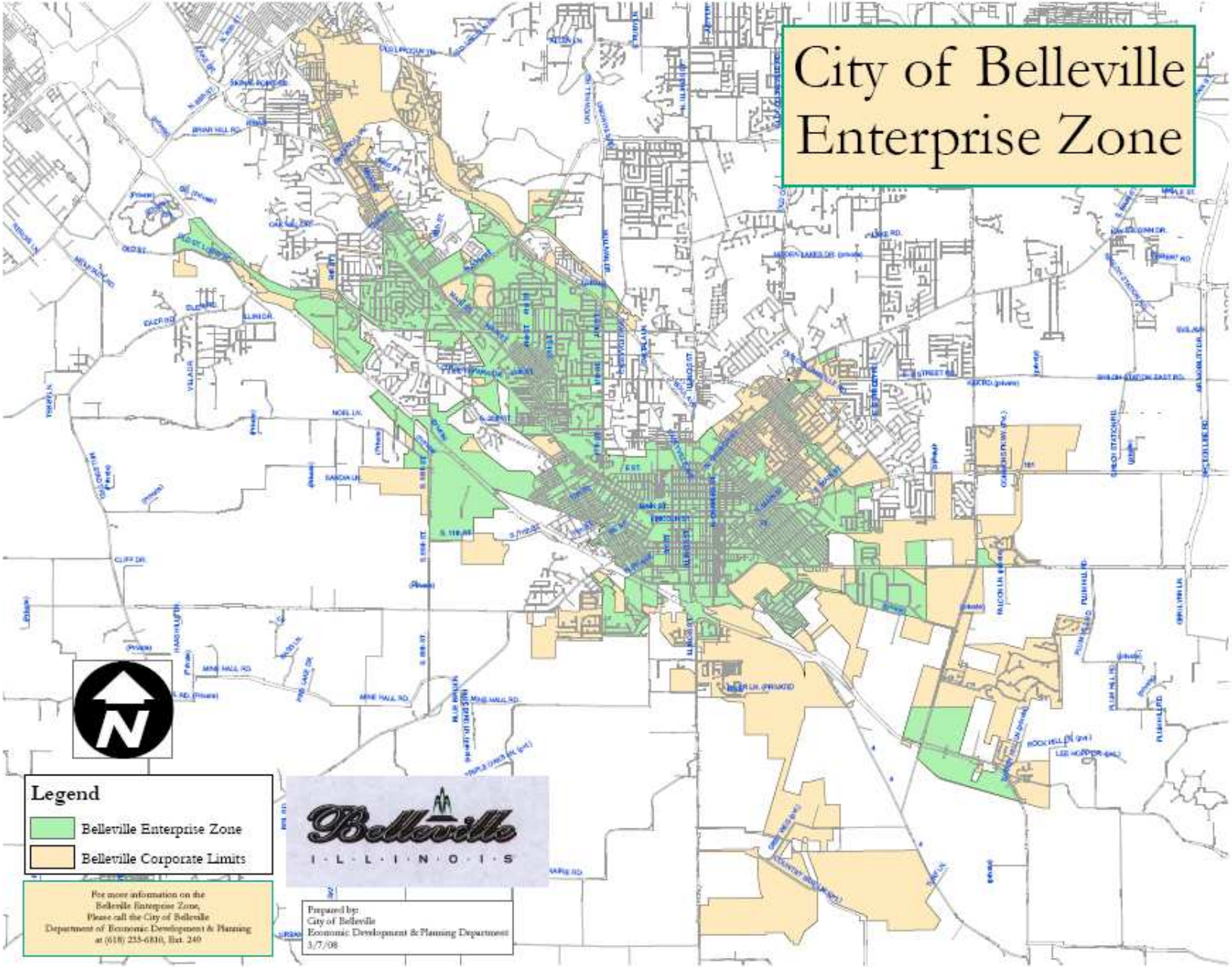
PART IV- SIGNATURE OF PROJECT REPRESENTATIVE

I hereby certify I have read and understand the content of the Business Assistance Program pamphlet and to the best of my ability present the above information as true and accurate.

NAME TITLE DATE

NOTE: APPLICATIONS WILL NOT BE CONSIDERED FOR APPROVAL UNTIL THEY ARE COMPLETED IN FULL AND SIGNED BY THE APPLICANT.

City of Belleville Enterprise Zone



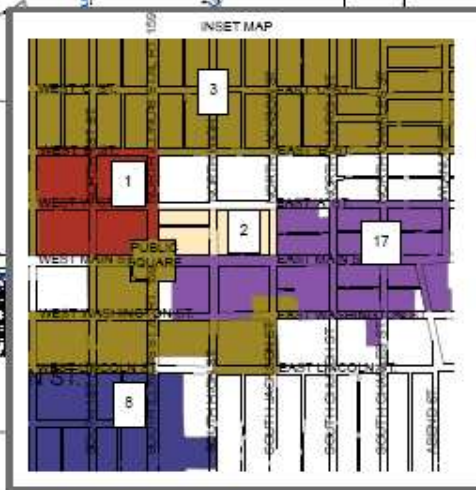
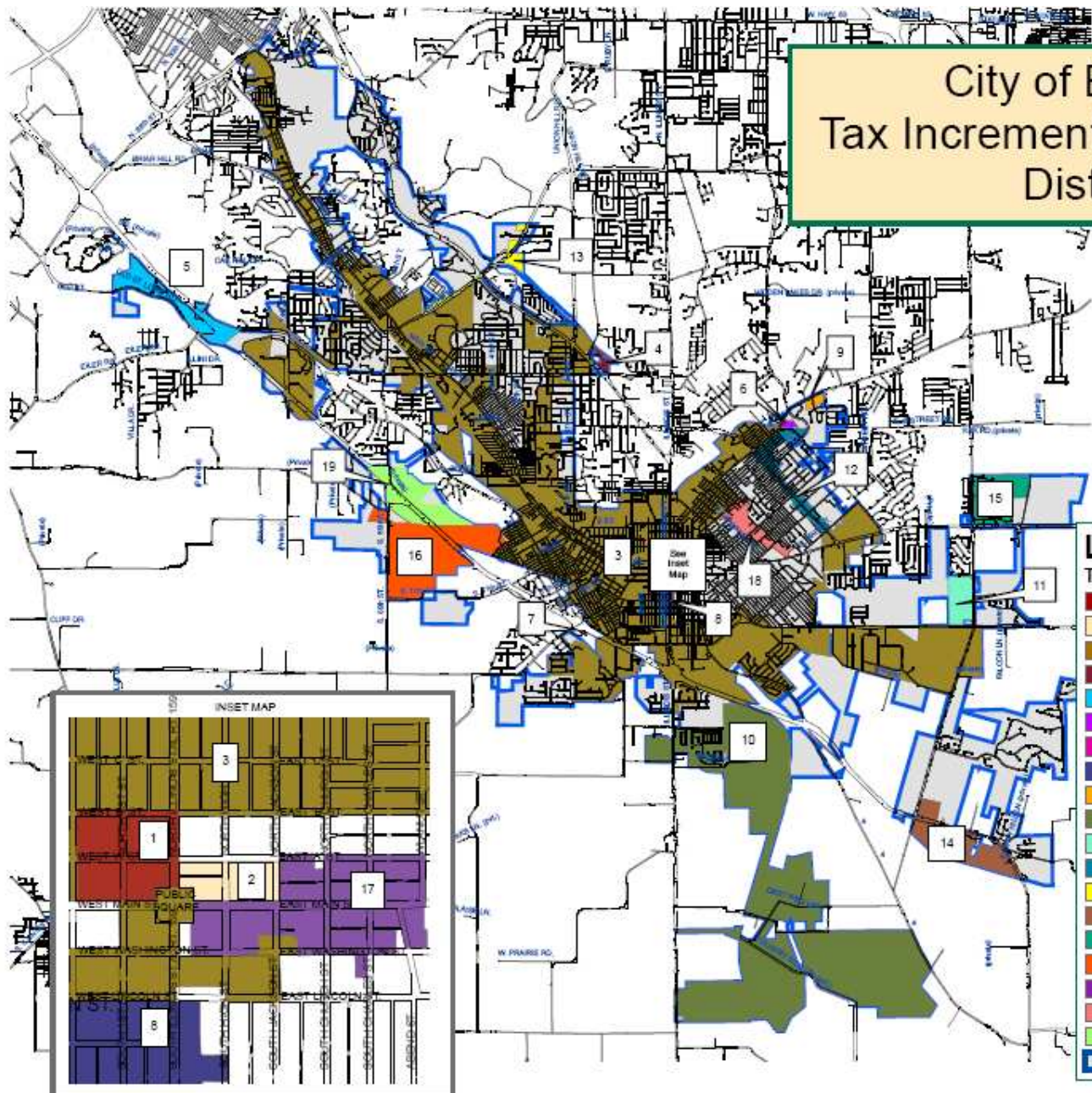
- Legend**
- Belleville Enterprise Zone
 - Belleville Corporate Limits

For more information on the Belleville Enterprise Zone, Please call the City of Belleville Department of Economic Development & Planning at (618) 233-6810, Ext. 240



Prepared by:
City of Belleville
Economic Development & Planning Department
3/7/08

City of Belleville Tax Increment Finance (TIF) Districts



Legend
TIF Districts

- TIF #1
- TIF #2
- TIF #3
- TIF #4
- TIF #5
- TIF #6
- TIF #7
- TIF #8 (Downtown South)
- TIF #9 (Southwinds)
- TIF #10 (Lower Richland Creek)
- TIF #11 (Industrial Jobs Recovery)
- TIF #12 (Sherman Street)
- TIF #13 (Drake Road)
- TIF #14 (Route 15 East)
- TIF #15 (Carlyle/Greenmount)
- TIF #16 (Route 15 Corridor)
- TIF #17 (East Main Street)
- TIF #18 (Scheel Street)
- TIF #19 (Frank Scott Parkway)
- Belleville Corporate Limits



9/5/08