

# TIF Policy Guidelines

The following is intended to serve as a guide when utilizing Tax Increment Financing as an economic and community development and redevelopment tool. The Economic Development Authority and the City of Faribault will evaluate requests for TIF revenues on a case by case basis.

## **TYPE OF PROJECTS:**

As permitted by Chapter 469 with funding priority given to the following projects:

- Economic Development
- Redevelopment
- Renewal and Renovation

## **TYPE OF ASSISTANCE:**

Preferred: Pay as You Go

Permitted: Tax Increment Bond

## **TERM OF FINANCING:**

Level of financial support based upon ten (10) year revenue stream (may vary depending on type of TIF district).

## **JOB CREATION CRITERIA:**

Required by law of all economic development projects receiving in excess of twenty-five thousand dollars (\$25,000) in local financing assistance. No specific guidelines have been established for the level of TIF support based upon the number of jobs created or retained as result of financial support provided.

## **WAGE CRITERIA:**

Required by law of all economic development projects receiving in excess of twenty-five thousand dollars (\$25,000) in local financing assistance. No specific guidelines have been established for the level of TIF support based upon the wage levels of jobs created or retained as a result of financial support provided.

**COMMUNITY PROJECTS:**

Generally ten percent (10%) of net revenues will be dedicated to projects located within the Project Area.

**ADMINISTRATIVE BUDGET:**

Generally ten percent (10%) of gross proceeds

Financing / Legal Expenses 2 to 3%

Administrative Expenses 7 to 8%

**APPLICATION FEE:**

Five thousand dollars (\$5,000.00), with \$2,000 returned if the application is withdrawn and City costs are fully recovered.