



## ***Memorandum***

**To:** HEDRA Commissioners  
**From:** Rusty Fifield, Economic Development Coordinator  
**Date:** September 19, 2019  
**Subject:** Application for TIF Assistance

**Action Requested:** Approve the attached form to apply for tax increment financing assistance from HEDRA.

**Background:** As we are able to attract developers to potential housing and redevelopment projects in Hastings, HEDRA will face more requests to consider the use of tax increment financing (TIF) to provide financial assistance to projects. In anticipation of these requests, it is important to give the process a little more structure.

The proposed Application Form serves several purposes:

- Completing the Form provides an initial indicator that the Applicant has a real project and an approach to undertaking it.
- The contents of the Form provide information we can use to evaluate the project and the requested assistance.
- The Form acknowledges the requirement to pay for the professional services needed to establish the TIF district and prepare the development agreement.

Some cities attach a fee to an application for financial assistance. The purpose of the fee is to cover technical and legal services related to the use of TIF. The proposed establishment of an escrow is consistent with other land development applications, following the principle that applicants should pay for related costs. The Applicant does not pay unless we accept the application and decide to initiate the TIF process. We have the internal capacity to review the application and set up the TIF process. It is not necessary to collect money at time of application. The Applicant also receives any money left in the escrow.

**Financial Impact:** Positive. Provides funds to cover professional services needed to establish a TIF district and a development agreement for the use of TIF.

**Attachments:** Proposed TIF Assistance Application form





**City of Hastings**  
**Hastings Economic Development and Redevelopment Authority (HEDRA)**  
**Tax Increment Financing (TIF) Assistance Application**

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Name of Project

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Name of Applicant  
Corporation/Partnership

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Address	Street		
	City	State	Zip

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Name of Primary Contact	Email	
	Phone	

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*Prior to the initiation of the process to establish a TIF district, the Applicant will deposit funds into an escrow account to pay for the professional services needed by HEDRA to prepare the TIF Plan and the development agreement. The amount of the escrow deposit will be determined based on the review of this Application, but will not be greater than \$15,000. Money remaining in the escrow after HEDRA costs have been paid will be returned to the Applicant.*

**Certification of Application**

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes the City of Hastings/HEDRA to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the City/HEDRA after the filing of this application.

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Name (print)	Title
Signature	Date

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**Supporting Information**

The application must include the following information attached as exhibits. The applicant can structure the exhibits in the manner that best explains the project as long as the required information is provided.

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**1. Project Description** (Attach as Exhibit A)

Briefly describe the proposed project. At a minimum, the description shall include:

- Project address
  - Parcel identification numbers
  - Type of development
  - Amount of development (building square footage or number of dwelling units)
  - Dates for start and completion of construction
  - Assumed Estimated Market Value of project upon completion
  - Site concept plan (if available)
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**2. Applicant Information** (Attach as Exhibit B)

- Brief description of firm’s business
- Names of officers and shareholders/partners with 5% or more ownership interest
- Location and address of comparable projects completed by the firm
- Name and contact information attorney, engineer, architect, or other member of applicant project team that may be involved with this application

Note – The City may require the applicant to submit other financial information needed to evaluate the project and the requested assistance. This information may include, but is not limited to, financial statements and project financing commitments.

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**3. Description of Requested Assistance** (Attach as Exhibit C)

- Description of requested assistance, including amount and use of assistance.
- Explanation of why the proposed project is not feasible without this assistance.
- Description of benefits to the City from the proposed project.
- Table containing detailed description of sources and use of funds for the project.
- Project proforma with and without requested TIF assistance over the life of the requested assistance.
- Unless otherwise agreed to by the City tax increment assistance is provided on a pay-as-you-go basis through a TIF Note. Indicate your intentions for holding the Note or selling it to a third party.

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**4. Land Use Controls**

Please indicate if any of the following are needed:

	Yes	No	Don't Know
Comprehensive Plan Amendment	_____	_____	_____
Rezoning	_____	_____	_____
Variance	_____	_____	_____
Conditional Use Permit	_____	_____	_____
Replatting	_____	_____	_____

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Please send the completed application and direct questions about the application to:

Rusty Fifield, Economic Development Coordinator  
City of Hastings  
101 4<sup>th</sup> Street East  
Hastings, MN 55033  
651.480.2379  
rfifield@hastingsmn.gov