

City of Lewistown
Application
Tax Increment Financing District (TIF)

Tax Increment Financing District (TIF) is a governmental financing tool that the City of Lewistown uses to fund public infrastructure construction, promote development and to expand the future tax base. TIF assistance in Lewistown should be used as needed to help the viability of individual projects.

Goals:

1. Promote downtown Lewistown as a center of business activity and economic growth.
2. Improve necessary infrastructure for redevelopment and to encourage private investment with the long-term goal of increasing the tax base and tax revenues for city, county, and school district.
3. Encourage private investment to upgrade deteriorated and to develop vacant and underutilized buildings and building sites.
4. Encourage the reuse of upper-floor residential properties to provide diversity of housing types and satisfy a wide range of needs for people, regardless of age, race, religion, gender, national origin, physical ability, and economic level.
5. Explore financial and regulatory incentives that support the retention, expansion, and relocation of business to and within Lewistown.
6. Promote, retain, and attract businesses that provide a diverse base of employment opportunities.
7. Provide the necessary beautification improvements to attract and encourage private investment.
8. Create a sustaining revolving loan fund consistent with the TIF District goals and strategies.

Strategies:

1. Invest TIF revenues in a diverse portfolio that works towards the accomplishment of the goals.
2. When possible, annual TIF budget should be adopted directing 45% of TIF revenue toward private development incentives, 25% of TIF revenue toward infrastructure needs in the TIF district, 20% of TIF revenue toward discretionary projects and management and 10% of TIF revenue toward the TIF reserve fund. This is a general goal, and specific requests and distributions will be considered based on TIF district goals
3. No obligation will be issued that goes beyond the life of any of the TIF districts.
4. The board may direct, with the approval of the City Commission, any reserve money to create a revolving loan fund, consistent with the TIF district goals and strategies, with the approval of the City Commission.

TIF Loan and Grant Assistance Policies – All Developments

1. All applicants that are awarded funds must follow all applicable local and state regulations and laws.
2. Grants – The City may consider grants to developers for property improvements including building rehabilitation, façade restoration, enhancements, or demolition of obsolete structures. A grant amount may not exceed 50% of a project's eligible cost and the typical maximum grant

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amount is \$20,000. Projects that benefit the entire community will be looked at on a case-by-case basis and may not be subject to these limits. Projects in excess of \$40,000 may be eligible for loan funds.

3. Grants for Signage Costs – The City may consider grants to developers for property improvements including new signage, adding lighting to current signage or replacement of signage. A grant amount may not exceed 50% of a project's eligible cost and the maximum grant amount is \$5,000.
4. Land Assembly Costs – The City may also consider acquisition of land, demolition of buildings, site preparation and site improvements. The City of Lewistown is not obligated to provide TIF assistance for land costs, whether purchased or optioned. Developer shall provide all such studies or reports to the City at the time of application.
5. Environmental Remediation – The City may consider the cost to remediate environmentally contaminated property when it exceeds the reasonable cost experienced on typical redevelopment projects. However, the City shall not provide TIF assistance that eliminates a responsible party's obligation to remediate contaminated property.
6. Infrastructure Costs – The City may consider requests to help fund improvements such as sewer and water lines, sidewalks, curbs and gutters, streetlights, signage, street, and alley reconstruction and resurfacing and related public infrastructure attributed to redevelopment project.
7. Operating Costs – Including, but not limited to, lease-up reserves or working capital are *not* eligible TIF expenses.
8. Equity Greater or Equal to TIF – TIF assistance shall not exceed the amount of equity provided by the developer. Equity is defined as cash, un-leveraged or unencumbered funds in land or buildings, that is available to secure financing. Donated developer or construction management fees shall not be considered as equity.
9. No Rent or Sales Price Write-Downs – TIF assistance will be limited to the amount of necessary funds to make a project competitive with other similar projects in the Lewistown market area. The intent is not to provide below-market sales prices or rent subsidies to assisted projects, except as applied to assist affordable housing.
10. Self-Supporting Projects – More consideration will be given to a project that demonstrates sufficient tax increment to cover or repay both the TIF contribution to the project and any public infrastructure costs associated with the project.
11. No Mortgage Guarantees – The City will not provide mortgage guarantees.
12. Personal Guaranty – The City will require a personal guaranty for TIF assistance for the term of the loan. In the case of a non-profit or not-for-profit developer, other forms of guaranty may be required, based on underwriting requirements.
13. Real Estate Taxes – With the exception of some nonprofits and not-for-profit organizations, projects assisted with TIF shall pay real estate taxes. Accepting tax abatement may affect eligibility for TIF funding. City requires applicant to notify TIF of any awarded tax abatements on properties where TIF funds were awarded.
14. Developers utilizing TIF funds are required to comply with Montana Code 18-2-403(2), MCA, regarding Prevailing Wage Rates. Developers utilizing TIF funds are responsible for determination of the applicability of the Prevailing Wage Act 18-2-403(2), MCA. If Prevailing

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Wage applies the developer is responsible for payments in accordance with the Prevailing Wage Act and all required reporting.

15. Non-Discrimination – Developers utilizing TIF funds shall not discriminate against any applicant, employee or tenant because of age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, physical disability, or familial status. Developer shall ensure that applicants, employees, and tenants are considered and are treated without regard to their age, color, creed, national origin, race, religion, marital status, sex, sexual orientation, physical disability, or familial status.
16. Private Development Projects Used or Leased to Government Entities –
 - a. The City may provide TIF assistance to a private development project wherein a government entity uses or leases space and the project addresses all of the following situations:
 - b. Satisfies all other underwriting policies for TIF assistance to private development projects
 - c. Maintains or expands existing employment or reuses a blighted, underutilized or vacant property.
 - d. Provides an anchor for an overall development plan that will include other commercial office, housing or mixed uses.
 - e. Advances a development in an already-established tax incremental district.
 - f. Private development projects assisted under the policy will be required to provide a full reimbursement of the City's financial assistance and expenses for the project in the event the project is removed from the tax roll.
 - g. Projects will be funded under this policy with sources other than general obligation debt to the maximum possible extent, in accordance with the general policy of the City's use of TIF.
17. The City reserves the right to recapture up to 100% of funds awarded by the TIF, from the property owner, if the property is sold within 5 years. See Payback Schedule below:
 - i. Year 1 – 80%
 - ii. Year 2 – 60%
 - iii. Year 3 – 40%
 - iv. Year 4 – 20%
18. Re-application - A business may re-apply for funds if they have not maxed out the total \$20,000 cost share limit (including the signage grants). This applies to the property and not necessarily the owner or the lessor of the property. The timeline for reapplications for buildings is 5 years from the approval of the initial request by the city commission. Re-applications are also subject to further scrutiny from the advisory board on a case-by-case basis.

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IMPORTANT: Lewistown TIF District Program grant or loan funds may not be awarded once an applicant's project is complete.

The Lewistown TIF District manages several different programs that utilize tax increment funds for assistance in redevelopment or rehabilitation of properties within urban renewal districts. Information on these programs is available at www.cityoflewistown.com. Each program targets various conditions and has different criteria for qualifying that will be addressed through supplemental information to accompany this application. The following is a summary of the LTD Program funding application and approval process.

1. Initial Contact: Contact the City of Lewistown, 305 West Watson Street, telephone 406-535-1760 or Snowy Mountain Development Corporation (SMDC), 507 West Main Street, telephone 406-535-2591 to discuss the project and determine eligibility for assistance under any LTD redevelopment programs. Applications can be found at www.cityoflewistown.com or at the SMDC office.
2. Complete a Written Application: The applicant must complete the written application for each project requesting program assistance. The LTD Board can assist the applicant in: identifying which programs the project is eligible for, preparing a formal application and determining what, if any supplemental information will be needed. Pro forma is only required if applying for a loan.
3. Submission of Application: Completed applications can be submitted to the TIF administrator at: SMDC Office, 507 West Main Street, Lewistown, MT 59457; or via email to majerus@snowymountaindevelopment.com or the TIF Chair at: Lewistown Insurance, 520 W Main Street, Lewistown, MT 59457; or via email to scsolberg@lewistowninsurance.com Applications need to be received by the 1st of the month for review at that month's meeting.
4. Board Review: Upon submittal of all necessary information, the LTD Board will review the merits of the project and the need for funding at the regularly scheduled monthly meetings. At any point in the review process the Board may request more information of the Applicant or solicit comments on the project from other public agencies. After review the LTD Board will issue an approval/denial of the funding request or any part thereof, and any special terms of LTD program assistance, and pass along their decision to the next City Commission meeting.
5. City Commission Review: The Lewistown City Commission will review the project and with consideration of the LTD Board decision, issue an approval/denial of the funding request.
6. Development Agreement: If approved, The LTD and applicant must execute a legally binding Development Agreement which establishes the terms and conditions of the program assistance. Among the terms and conditions, the Agreement shall specify the schedule for the start and completion of the project and may require the Applicant to guarantee repayment of program assistance if the terms of the Agreement are violated by the Applicant.
7. Payments to Developer: Payment to the developer will generally be made as reimbursements to the developer upon completion of the project and satisfactory evidence that the work has been paid for, usually in the form of invoices, check copies and/or lien waiver from the contractor.
8. Please note that additional information such as profit/loss statements, balance sheets and personal guarantees may be required

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Project Name: _____ **Date Submitted:** _____

A) Applicant Information:

Name: _____

Address: _____

City/ST/Zip: _____

Telephone Number(s): _____

Email: _____

If the applicant is not an individual doing business under his/her own name, the applicant has the status indicated below and is organized or operating under the laws of:

- ☐ A Corporation
- ☐ A nonprofit or charitable institution or corporation
- ☐ A partnership known as _____
- ☐ Other (explain) _____

B) Project Information:

Building Address: _____

Legal Description: _____

Lot & Block Location: _____

Existing/Proposed Business: _____

Business Description:

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Property Ownership:

Do you own the property or are you currently purchasing it? Y N

Property Owner (If property is not owned by Applicant, list leasehold interests)

Name of Owner(s): _____

Address: _____

City/ST/Zip: _____

Telephone Number(s): _____

Email: _____

Property Owner Signature: _____

Project Architectural Firm: _____

Address: _____

City/ST/Zip: _____

Telephone Number(s): _____

Email: _____

Project Contractor(s): _____

Address: _____

City/ST/Zip: _____

Telephone Number(s): _____

Email: _____

Project Financial Lending Institution: _____

Address: _____

City/ST/Zip: _____

Telephone Number(s): _____

Email: _____

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Job Creation: Will there be any new permanent or part-time jobs created as a result of this project excluding construction jobs associated with the development of the project? If so, how many? _____

Project Completion: What is the expected completion date of the project?

Property Taxes:

How much are the annual property taxes including any improvements? _____

Are the taxes current? _____

Do you intend to apply for tax abatement? _____

Has tax abatement been awarded on the property prior to your ownership? _____

Project Financing: Briefly describe how the project will be financed:

Description of Project: Please provide a full written description of your project, including type of use, square footage, number of stories, number of parking spaces, general building materials, etc. (Attach to application)

Project Renderings: Please submit design schematic and/or site and landscaping plans for the project. (Attach to application)

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Eligible Improvements Cost Worksheet Under TIF Program

List eligible items that pertain to the project that falls under TIF Program Policies (list beginning on page 1). If in doubt about an item's eligibility, include it, the board will review items and help determine eligibility. Please include formal contractor bids to establish costs. *There is no guarantee that additional costs beyond what is listed here will be covered.*

1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____
4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____
7. _____	\$ _____
8. _____	\$ _____
9. _____	\$ _____
10. _____	\$ _____
11. _____	\$ _____
12. _____	\$ _____
13. _____	\$ _____
14. Permitting Fees _____	\$ _____
15. Other Fees _____	\$ _____
Total Lewistown TIF District Program Request	\$ _____

TIF District Program Award (to be filled out by TIF Administrator) \$ _____

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct. The signature attests to my having read, understand and agree to all terms in the Lewistown Tax Increment Financing District Investment Plan.

Signature of Applicant: _____

Date: _____

Signature of TIF Board Chair: _____

Date: _____