



CITY OF WASHINGTON, ILLINOIS

Finance and Personnel Committee Agenda Communication

Meeting Date: August 16, 2021

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: TIF Program Scoring Model Proposal

Explanation: The City's TIF program guidelines were adopted in 2003. It establishes the objectives, financial assistance, eligible expenses, and procedure for the eventual approval of a private redevelopment agreement. While much of the framework remains in effect, there have been exceptions with some agreements. Tweaks to the guidelines can better help define the City's expectations to any business/property owners, eliminate any subjectivity, and potentially streamline the approval process. A second 12-year extension bill is pending the Governor's signature to become official.

A variety of items should be considered with the ultimate goal of continuing to ensure that the Square is an inviting place to dine, shop, and work. These can include, but are not necessarily limited to, the following:

- Establish a maximum percentage and/or dollar amount that TIF will contribute towards most private redevelopment projects. This can differ depending on whether there are exterior or interior improvements and the incentive can be structured to put more emphasis on certain building modifications compared to others.
- Consider a separate category that is exclusive to those larger, catalytic redevelopment projects that may have a more significant impact on the Square and could warrant a more substantial TIF project cost share.
- Establish a higher percentage and/or dollar amount for retail instead of office/service uses. Staff would recommend that all uses be eligible, as a goal should continue to be to have all storefronts occupied, but the City also benefits from the sales tax derived from retail businesses.
- Draft agreements to have a minimum of two payments that is based on the building's occupancy. Should consideration be given to this, payments should be front-loaded with a sliding scale to provide some immediate financial reimbursement but to offer some protection to the TIF Fund should the building be vacant for a significant period of time.
- Consider not requiring prevailing wage. Private projects are not subject to paying prevailing wage according to the TIF Act, whereas public works projects must abide by it.
- Consider a means to streamline the approval timeline. Currently, an applicant obtains the estimates and submits them prior to the next Finance & Personnel Committee meeting. A redevelopment agreement is drafted with two ordinance readings. The current process takes a minimum of 45 days from initial submittal. The construction cannot start until after approval of the agreement. An alternative could be to allow for construction to commence following a recommendation from the Committee and the issuance of a building permit.

Attached is a proposal from CivicServ, which is a Peoria-based economic development technology company that has provided assistance to many cities in launching software models to quantify and simplify the decision-making process. Among the clients they have served are the Cities of Pekin and Peoria. The proposal would help implement a standard scoring model to help fairly judge all TIF projects based on any established criteria. While this particular focus is

on TIF projects, it can also be used the consideration of using incentives for other projects outside of the TIF district.

Fiscal Impact: The scope of services would carry an annual fee of \$5,450, which includes the creation of the core platform. It would be integrated with our GIS through ESRI. This expense is eligible to be paid through the TIF Fund and funds are available for this.

Action Requested: Staff recommends utilizing the CivicServ platform as a low-cost means to improve the TIF project selection process. Feedback is sought on the approval of the agreement at the August 16 Finance and Personnel Committee meeting.



Tax Increment Financing
Risk Assessment, Impact Scoring, and Jobs Reporting Platform

Proposal

CivicServ LLC

(888) 597-0220 | info@civicserv.com | www.civicserv.com | 230 SW Adams St, Suite LL1, Peoria, IL 61602



8/2/2021

Jon Oliphant
City of Washington
301 Walnut St
Washington, IL 61571

Re: Tax Increment Financing Risk Assessment, Impact Scoring, & Jobs
Reporting Platform

Dear Mr. Oliphant,

First and Foremost, I want to extend a warm Thank You to yourself and all those at the City of Washington for doing your part to drive and deliver meaningful and effective innovation for your constituents and staff. With your partnership, we can raise the bar on the ways we gauge and measure positive social, economic, and fiscal impacts of incentive project subsidies to the community, City, and affected taxing bodies making these projects possible with gap financing.

We're looking forward to a rewarding and meaningful partnership with the City of Washington.

Respectfully,

A handwritten signature in black ink, appearing to read "Matt Scachette".

Matthew Scachette
Chief Technology Officer, CivicServ LLC



Introduction

CivicServ is an Economic Development Technology company focusing on helping communities advance their economic development goals to build more vibrant communities through the effective use of technology. We have built dozens of strong relationships with stakeholders at every level to ensure that our customers and our customer's customers, have access to new perspectives, new opportunities, and new ways to reach the community that work well for everyone.

While this proposal is scoped to help your community introduce a fair and equitable scoring model to your key incentive project opportunities, our breadth and depth of services is designed to help you with other key programs and economic development initiatives as well.

If you have any questions regarding this proposal, please feel free to email us at info@CivicServ.com or by phone at 888-597-0220.

References



In 2021, we partnered with the City of Peoria in response to the COVID-19 pandemic to aid the Economic Development Department in rolling out an online, publicly accessible portal for local businesses to locate and apply for 2 different types of grants aimed at economic recovery. With our successful public/private partnership, we were able to roll out an effective grant application solution to field hundreds of grant requests totaling nearly \$1,000,000 in disbursements to those that needed it the most.

To help the City of Peoria run an effective program with appropriate due-diligence considerations for applicants, we collected pertinent business documentation, bank statements, utility bills, and other supporting documents to help the City vet the authenticity of the applicants.



Pekin, IL

In May of 2021, CivicServ worked closely with the City Manager and Economic Development office to introduce a quantitative scoring model to measure proposed TIF incentive projects for their overall financial risk to the City as well as economic, social, and fiscal impacts to the community overall.

This model was the first of its kind in that pure project characteristic data is used to complete quantitative calculations that produce "Success Alignment Reports" to both the City Council and Economic Development Committee reviewing and approving these projects. This agnostic report provided unbiased insight into measuring what the community can expect to receive in return for the subsidy. Mayor Mark Luft said, "This is the best TIF project review process we have ever seen here at Pekin".



Project Objective

Implement standard, fair, repeatable, and quantitative Risk Assessment and Impact Scoring models that measure proposed incentive projects for their risk profile to the City as well as the positive social, fiscal, and economic impacts it offers the community in return for the subsidy.

These scoring models are to be introduced and then consistently used during the project approval process. The scoring models are designed to measure facts and project data to produce Incentive Project Alignment Scores that can serve as an unbiased decision-making tool for Councils and Committees to use during the negotiation and decision-making phases.

Because each community and each incentive district have different and ever-changing goals; the scoring matrix must be able to adapt to the needs of the community at the appropriate time. While this flexibility is paramount, it is critical that previously scored projects preserve the scoring criteria used at the time of decision to ensure a proper audit trail is available for the potential FOIA process should such a request be made.

Additionally, the Illinois General Assembly Bill HB0571 was recently signed into law requiring that all Tax Increment Financing projects promise or estimate the number of jobs their project offers or will offer the community in exchange for the subsidy. After the Certificate of Occupancy is issued and is occupied by the tenant(s), you are required to follow up and collect the actual jobs created and retained from the developer annually. CivicServ will provide the platform to collect and house that data from the developer to ensure compliance with the State of Illinois.



Scope of Work

CivicServ shall provide the Services and Deliverable(s) as follows:

- Collaboration with the City of Washington on developing, monitoring, and maintaining a risk assessment and impact scoring model to be used as a common unit of measure for incentive projects
- Installation and setup of the public application & scoring
- Import and digitize the TIF Application process so that project data can be ingested and applied to the scoring model
- Setup initial staff administrators and ensure communication is established for automatic application notifications
- Setup and establish a portal for mandatory jobs reporting requirements from responsible parties
- System integration & testing of functionality
- Staff training

Scope is limited to the TIF application, jobs data collection, risk assessment, and impact scoring process. This does not include digitization and setup of any other services.



Implementation Schedule (Determined at Kickoff Meeting)

Milestones (2 Phases)	Target Completion Date
Project Kickoff Meeting	Within 30 days of approval
Establish Impact Scoring Model – Meeting & Development	
Sample Project Scoring Exercises	
Impact Report Review & Approval	
Digitize TIF Application	
TIF Application Review & Approve	
Cleanse Test Data	
Go Live With Online TIF Applications & Scoring (Phase 1)	*Within 30 days of kickoff
Establish Mandatory Jobs Reporting Process	
Sample Jobs Reporting Exercises	
Build Jobs Reports and Exports for Comptroller Report	
Review & Approve	
Go Live With Mandatory Jobs Reporting (Phase 2)	*Within 60 days of Phase 1 delivery



Implementation Approach & Methodology

Based upon previous experience working with local governments to implement incentive applications and review processes, CivicServ has defined four goals that are embraced with implementing incentive platforms:

- Copy online application forms over to CivicServ from the public website
- Establish automatic submission notifications to the correct party
- Establish the new online application experience & test internally for acceptance
- Go Live with one process at a time to keep a steady cadence and workloads manageable

As such, we do not recommend performing heavy configurations involving multiple processes and testing in a lump sum. One at a time is best.

Additionally, at the initial kick off meeting above, we will identify a “project champion” from the City whom will serve as a single point of contact to CivicServ until the full Scope of Work is successfully delivered. Should this project’s implementation span into other departments for participation, the project champion shall facilitate communication, echo priorities, and effectively serve as the project manager for the City to ensure a smooth and orderly delivery.

After we implement the application process as it is today, we will likely make suggestions to improve the breadth and depth of information being collected to ensure the highest quality deliverable that will be the most effective to both the community and staff.



Responsibilities and Deliverables

CivicServ Responsibilities	Customer Responsibilities	Deliverables
Project Kickoff Meeting	Participate in Kickoff meeting	Project Timeline
Create weekly status reports and timeline updates	Provide feedback for weekly status reports, identify possible issues	Weekly Status Report
Documentation of completed deliverables	Review and accept documentation	Email Acceptance from Client
Create / Alter Risk Assessment Scoring Weights	Provide priorities and weights for each risk factor	Risk Assessment Scoring Model
Create / Alter Impact Scoring Weights	Provide priorities and weights for each impact scoring tier	Scoring Matrix
Create Jobs Reporting Screens for Developers / Project Principal	Accept jobs collection data elements	Jobs Data Collection Portal
Create Online TIF Application Portal for the General Public	Review and accept portal, process, and communication plan	Public TIF Application Portal
Create Jobs Reporting Report & Export for Comptroller	NONE	Jobs Reporting and Export
Perform Administration Training	Participate in Administration Training	Trained Staff

Training & Support

The most effective method of training is a hands on, task-based training methodology. While we focus on creating software that is easy to use and understand, nothing beats a 60 minute training session focused towards a working and functional application. As such, we will perform up to 2, 60 minute training sessions for the project champion and one additional (and optional) user delegated to learn how to navigate and configure the system.

After the initial training session(s) are completed, you will still have access to email support at support@civicserv.com. We strive for responses to your questions within 1 business day.



Pricing & Fee Schedule

The CivicServ Core Platform and add on modules are licensed annually and qualify as a TIF eligible expense in the State of Illinois.

Module	Annual Fee
CivicServ Core Platform	\$4,100
Incentive Projects - Risk Assessment, Impact Scoring, & Reporting	\$900
Incentive Projects – Developer Reporting & Upload Portal	\$450
Incentive Programs – Grant Program Administration	Included
Storage (500GB)	Included
Monthly Document Retrieval (500GB)	Included
ESRI GIS Connectivity	Included
Municode – Code of Ordinance Integration	Included
Total	\$5,450

Fee Schedule / Milestone	Amount Due
Upon execution of Agreement	\$2500
Upon completion of the Agreement	\$2950



Proposal Summary

Again, we thank you for allowing us an opportunity to demonstrate CivicServ to the City of Washington. We are confident that the product will offer all of the right features that both the city and the citizens find useful.

If you have any questions regarding this proposal, please feel free to email us at info@CivicServ.com or by phone at 888.597.0220.



Proposal Agreement

City of Washington Representative

CivicServ LLC

By:

By: Matt Scachette

Title:

Title: Chief Technology Officer

Date:

Date: 8-2-2021
