

## **Procedures for Requesting TIF Assistance**

### **Overview of the TIF Request Process**

1. An application for TIF assistance on a project is submitted by a private developer to the FINANCE DIRECTOR of the CITY OF STOUGHTON, who will notify the MAYOR of the application.
2. The FINANCE DIRECTOR will review the application and determine whether the application is complete and whether the proposed project is eligible under the City's policy, and will then forward said application along with a recommendation to the FINANCE COMMITTEE for consideration.
4. The COMMITTEE reviews and discusses the application with consideration given to any additional material provided by City Staff. A public hearing to hear testimony from concerned citizens, may be held .
6. The COMMITTEE recommends approval, denies or tables the application.
7. The CITY COUNCIL THEN considers the recommendation of the COMMITTEE.
8. If approved by the CITY COUNCIL, a Development Agreement will be executed between the CITY and the Developer applicant.

### **Application Procedures**

**Submission** - Submit two copies of the application to:

City of Stoughton Finance Department  
C/o FINANCE DIRECTOR  
381 EAST MAIN STREET  
STOUGHTON, WI. 53589

**Application Fee** - A \$100 processing fee must be submitted with the application.

**Preliminary Determination of Completeness** - Upon submission, the application will be reviewed to determine if it is complete. If the application is incomplete or if additional information is needed the applicant will be notified in writing that the application is not complete, and the reasons will be stated referring to the specific criteria that are not met, additional information required, or financial, legal or planning and development concerns.

**Staff Review:** Review of the application will be conducted by the Finance Director, and when deemed appropriate, by the City Attorney, the City's Financial Advisor and/or other advisors. Review time will be approximately 30 days from the date the completed application is submitted to the City. However, more or less time may be required for particular applications. Applications which are determined to be complete, consistent with all elements of the City's Comprehensive Plan, the Redevelopment Plan for the area in which the project will occur and in conformance with the City's TIF policy will then be forwarded to the FINANCE COMMITTEE for consideration. Applicants will be notified in writing of the application being forwarded to the COMMITTEE.

**COMMITTEE Consideration:** The COMMITTEE may desire to hold one or more discussion sessions or a public hearing. During this period the applicant may be required to submit additional information. The applicant is expected to make a presentation to the COMMITTEE followed by the presentation of any material the City's staff desires to report. Public comment will then be heard, if invited, followed by a response from the applicant. After COMMITTEE discussion, action may be taken to approve, deny or to continue the case to a date certain for further consideration.

If the application is approved by the COMMITTEE, the COMMITTEE will forward a recommendation for approval to the CITY COUNCIL

City staff may require an independent feasibility study. The cost of such study shall be paid by the applicant and shall be prepared by a professional consultant having a favorable reputation for the preparation of such studies. This study would be submitted to the COMMITTEE for consideration.

**City Council Consideration:** The City Council may have a discussion session on the application. The recommendation of the COMMITTEE may be approved, denied or amended by the City Council.

RESOLUTION NO. R-18-05  
CITY OF STOUGHTON RESOLUTION ESTABLISHING POLICIES FOR THE USE OF TAX  
INCREMENTAL FINANCING (TIF)

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**Introduction**

During the year 2005, the CITY OF STOUGHTON embarked on a comprehensive planning process and established a Redevelopment District. The impetus for these activities is a strong desire to understand what the community can be and to put the tools in place to make it happen.

The CITY will be assigning responsibility to a Committee or Commission to take the lead on redevelopment activities and the implementing of TIF districts. The policies that follow are intended to provide guidance to developers and the community regarding the types of projects the CITY would like to consider, the potential amount of assistance that can be expected for eligible projects and the performance expectations for projects which receive TIF assistance.

***Important Notice and Disclaimer***

The attached policies and guidelines have been prepared by the CITY for the purpose of guiding recommendations regarding Tax Incremental Financing (TIF) assistance to projects within CITY designated redevelopment areas. The authority to make decisions regarding the use of TIF funds is vested solely in the City Council of the CITY OF STOUGHTON. Projects requesting TIF assistance are cautioned that the attached information has been prepared primarily for internal use by the CITY and to inform applicants of the types of projects the CITY would consider recommending for TIF assistance. The CITY reserves the right to reject any and all projects, even those which satisfy all of the attached criteria for the use of TIF for any reason whatsoever, without regard for the viability of the project. Furthermore, the CITY reserves the right to waive, amend or adjust these policies, and recommend any project the CITY deems to be in the best interests of the CITY OF STOUGHTON.

**Policy for the Use of Tax Increment Financing**

**WHEREAS**, Tax Incremental Financing (TIF) is an important tool and resource for improving the community by funding public improvements and Fostering development and redevelopment projects which the City finds and determines are desirable and in the public interest; and,

**WHEREAS**, the CITY OF STOUGHTON finds it in the best interest of the public to establish certain policies and guidelines for the consideration of proposals that may be presented to the CITY by private developers requesting TIF assistance; and,

**WHEREAS**, by adopting this policy the CITY has determined that the use of TIF should be reserved for projects which further an important and clearly definable public interest of the City; and,

**WHEREAS**, the CITY desires to use TIF for those projects which demonstrate the highest public benefit by eliminating blight, financing desirable public improvements, strengthening the employment and economic base, increasing property values, creating economic stability, and implementing the Comprehensive Plan, Redevelopment Plans and economic development strategy of the City; and,

**WHEREAS**, by adopting this policy the CITY intends to set forth a flexible framework for evaluating private applications for TIF assistance; and,

**WHEREAS**, all applications for TIF assistance submitted to the CITY will be evaluated on their own merits, and an evaluation of the proposals will be performed by City Staff and forwarded to Finance Committee with recommendations; and,

**WHEREAS**, all projects must demonstrate financial and economic reasons such that they would not otherwise go forward and be viable,

**NOW, THEREFORE, BE IT RESOLVED** after due consideration, the CITY OF STOUGHTON

hereby approves the following as its official TIF policy; and

**BE IT FURTHER RESOLVED:** that the Tax Increment Financing (TIF) Policies and Guidelines are hereby adopted as fully set out herein and CITY staff is hereby authorized to implement the following policies and to make such additional changes and clarifications, (as approved by the City Council), as shall be deemed advisable and in the best interest of the City:

### ***A. General Policy***

It is the policy of the CITY to consider the judicious use of TIF for those projects which demonstrate a substantial and significant public benefit by constructing public improvements or offering other financial assistance in support of developments that will:

- **eliminate blight**
- **strengthen the employment and economic base of the City**
- **increase property values and tax revenues**
- **Create economic stability**
- **upgrade older neighborhoods**
- **implement plans and development strategies adopted by the City**
- **provide affordable housing opportunities per City Comprehensive Plan definitions**

Care will be exercised in the use of TIF to thoroughly evaluate each project to ensure that the benefits which will accrue from the approval of the project are appropriate for the costs which will result, and that they are equitable to the City as a whole.

### ***B. Policy Guidelines.***

The following criteria are to be used by the CITY to evaluate requests for TIF assistance:

1. TIF assistance will not be considered for new residential development projects unless those projects:
  - a. occur on parcels which were platted prior to September 30, 1995; *and*
  - b. causes the redevelopment of blighted or underutilized parcels in conformance with the City's Comprehensive Plan and any Project Area Redevelopment Plans.
2. Each request for TIF assistance must demonstrate that "but for" the use of TIF assistance, the project is not feasible on the proposed site and that the public benefits described above would not be achieved.
3. All requests for TIF assistance will be required to demonstrate:
  - a. That the property tax payments expected to be generated by the project will be sufficient to service any tax increment debt, or other City incurred costs, in support of the project, within a period of no more than 10-15 years. (Developer agreements incorporating guarantees to this effect will be required.)
  - b. The CITY may amend or adjust this requirement for projects which, in the City's determination provide extraordinary public benefit.
4. The actual amount of TIF assistance provided to a project will be determined at the discretion of the CITY on the basis of need, risk, project characteristics, developer qualifications and the degree to which the project meets the public objectives of the CITY described in Section A. General Policies. The CITY is not obligated to provide TIF assistance to any project and may reject requests for TIF assistance for any reason, even if the project meets all criteria described herein.
5. The total amount of TIF assistance in support of a project should not exceed fifteen percent (15%) of the total project costs. This limitation shall not apply to public improvements in support of the project.
6. Each request for TIF assistance must include evidence that the applicant:
  - (a) Has the financial ability to complete and operate the project.
  - (b) Will be liable for, or contribute equity of at least fifteen percent (15%) of the total cost of the project or

provide a performance bond for the completion of the project. Projects with equity contributions from the developer in excess of fifteen percent (15%) will be viewed more favorably.

(c) Has thoroughly explored alternative financing methods.

7. The CITY will enter into a Development Agreement with the private developer on all projects which have been approved for TIF assistance. The Development Agreement will describe the obligations of both the CITY and the developer, and the terms and conditions of TIF assistance. Development Agreements will be secured by Developer personal guarantee, Bank Letter of Credit, Performance Bond, or other security mechanisms as deemed appropriate by the CITY.
8. The City will maintain a retainage account, require a performance bond, or require other forms of security until each project is completed and satisfies all conditions and performance standards described in the Development Agreement.
9. Requests for TIF assistance for retail and service/commercial projects should be limited to those projects that will promote the upgrading, expansion or retention of existing retail, service or commercial businesses, encourage an inflow of customers from outside the City or will provide services or fill retail markets that are currently unavailable or in short supply in the City.
10. Requests for TIF assistance which include the establishment of a multi-tenant retail, commercial or service center, or the redevelopment of existing centers, should include information as to the business type of the major tenants of the project. In addition, a thorough market analysis should be completed which identifies:
  - a. the population areas that will be drawn from; and,
  - b. the businesses of similar types which would be competing with other City businesses.
11. If businesses are to be relocated from other areas of the City into a TIF district, sufficient justification will be included to indicate why this relocation should be considered. Such justification shall include an analysis of the impact the relocation will have upon the neighborhood in which the business is currently located.
12. The CITY may use TIF revenue from a project for public improvements anywhere within the TIF district.
13. All requests for TIF assistance must clearly comply with the requirements of the TIF Statute and the City's adopted TIF Project Plan.

This Resolution is being adopted by the CITY OF STOUGHTON at a duly scheduled meeting on August 9, 2005.

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HELEN J. JOHNSON, MAYOR

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LUANN J. ALME, CITY CLERK

# APPLICATION FOR TAX INCREMENT FINANCING ("TIF") ASSISTANCE

APPLICANT: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
PHONE#: \_\_\_\_\_  
FAX #: \_\_\_\_\_  
CONTACT PERSON: \_\_\_\_\_  
PROJECT NAME: \_\_\_\_\_

*On a separate sheet of paper please answer the following questions:*

1. In no more than three pages provide relevant information on the Applicant's background and development experience. Include resumes of key individuals assigned to the project.
2. Identify the Applicant's consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e., civil engineer, land use planner, Applicant's legal counsel, Applicant's financial advisor).
3. Describe the proposed project, including the size, scope, phasing, construction materials, and impact on parking, traffic and adjoining property. Discuss any development, planning, engineering, architectural or legal issues which may impact the City or adjoining property. Specifically outline residential development, if any, to be included in the project. Include any plans prepared for the project, if available. At a minimum, a concept plan shall be submitted with the application.
4. Define the boundaries of the proposed project by address and on a map.
5. Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.
6. Is the property currently zoned for the proposed use? If not, what zoning change will be required?
7. Will the proposed project result in the relocation of economic activity from another location within the City? If so, discuss the nature of any anticipated relocations and the impact the relocation would have on the neighborhood where such activity is currently located.
8. State the need and justification for TIF assistance. Explain how the applicant intends to demonstrate compliance with the "but for" test. Substantiate that other alternative methods of financing have been thoroughly explored.
9. Identify sources, amounts, and status of all debt financing and/or equity funding available to complete the Project. Does the applicant anticipate the debt to be privately financed by the construction lender or developer or publicly sold? Please prepare information in the following table format'.

Source
Contact Person & Phone #
Amount
Term
Status
10. Provide an outline of the costs associated with the development of the proposed project(s) and related parcel(s) located within the TIF district. Identify in the outline those costs you would propose to fund with TIF and the proposed payback time frame.
11. In one page or less, discuss and document information used to describe the market feasibility of each element of the proposed project. If a formal feasibility or comparable studies have been prepared, attach such reports

as an appendix to this application.

12. Estimate the incremental property taxes to be generated by the project.
13. Provide an estimate of the market value of all fixtures and equipment to be used by all owners or tenants of the proposed project which will be taxed as personal property.
14. Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?
15. Who will own and operate the developed property?
16. Briefly describe the benefits of the proposed project to the City, particularly in economic and quality of life terms.
17. Attach a letter from a financial institution indicating that the applicant has sufficient financial resources to obtain the private financing for the project.
18. Describe the project schedule:
  - Preliminary Construction Start Date:
  - Preliminary Construction Completion Date:
  - Phasing Anticipated:
  - Date Occupied or Opened: