

Tax Increment Financing (TIF) Application

In order for a Tax Increment Financing (TIF) Request Application to be considered, the following information shall be complied and submitted to the Planning Department for review. The application is comprised of four (4) parts: 1) Applicant Information, 2) Project/Property Information, 3) Project Budget/Financial Information, and 4) Application Submittal.

The Planning Department reviews all applications for TIF assistance. Failure to provide all required information in a complete and accurate manner may delay the processing of your application and the City reserves the rights to reject or stop processes an application for incomplete submittals. Please refer to City of Onalaska's TIF Policy and Procedures Manual for additional information.

Part 1: Applicant Information

Entity/Individual/Officer: _____
Legal Name: _____
Mailing Address: _____
Phone: _____ Email: _____

Entity/Individual/Officer: _____
Legal Name: _____
Mailing Address: _____
Phone: _____ Email: _____

Entity/Individual/Officer: _____
Legal Name: _____
Mailing Address: _____
Phone: _____ Email: _____

Is any owner, member, stockholder, partner, officer, director, or any member of the immediate family of any such person, an employee of the City of Onalaska?

☐ Yes ☐ No

If yes, provide the name and relationship of the employee: _____

Development Team: (provide contact information – name, phone, email if different from above).

Developer: _____ Architect: _____

Surveyor: _____ Contractor: _____

Provide the following information regarding the Development Team:

- Describe Development Team expertise and experience in developing similar projects;
- Disclose other current Development Team projects in development; and
- Describe the financial ability of the applicant to complete the Project.



Part 2: Project / Property Information

Project Narrative:

Provide a project narrative addressed to the City Administrator that includes the following:

Overall Project Summary and Objectives	Project Start & End Dates
Existing Conditions Summary: Identify subject parcel(s), Current Uses, Number of Parking Stalls, Size and Condition of Existing Structures, Site History, Environmental Conditions, and Past Site Uses	Project Construction Information: Note if existing structure(s) to be demolished/rehabilitated, size of new construction: types & materials, delineation of SF allocation by use, number/type of/and individual SF of residential units; number of affordable residential units; number of parking spaces; construction phasing
Proposed Use(s) of Project: Industrial, Commercial, Retail, Office, and/or Residential (rental, owner-occupied, senior)	Description of public benefits (including job creation) and what the project will do for the property and direct neighborhood
Profitability	Total Development Costs
Summary of Increment Projections	Overview of private-sector financing
Describe necessary zoning changes	Amount of TIF assistance requested
If Project is within an existing TID, confirmation that the project is consistent with stated goals and objectives in the Project Plan.	If Project requires amending the boundaries of an existing TID, confirmation that the project is consistent with stated goals and objectives in the Project Plan.
Statement regarding why TIF assistance is essential and addresses the “but for” provision.* *Note: In the “but for” discussion, you must clearly state why TIF is needed to help this project and why the project will not / cannot proceed without such support. Failure to clearly provide the “but for” explanation will delay action on your application.	

Additional Professional Studies:

Applications for commercial and residential projects must include the following studies for consideration.

- **Market Study:** Identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants for housing developments – sale prices/rental rates of comparable properties.
- **Appraisal:** All projects that involve the transfer of land must include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. Appraisal to value the property “as is” and the impact on value must be considered for such items as demolition, environmental remediation, relocation of utilities, lease buy-outs, archeology, and other work necessary to make the site developable. The property must be valued assuming that the highest and best use is the proposed use.

Project Timeline:

Provide a project timeline from plan review/approval to Final Occupancy/Leasing Activities:

Project Timeline:	Anticipated Completion Date:
Plan Review/Specification Preparation	
Project Bidding/Contracting	
Firm Financing Approval	
Construction/Rehabilitation	
Site Work (paving, landscaping, etc.)	
Final Occupancy/Leasing Activities	

Part 3: Project Budget / Financial Information

Identify the sources of funds used to finance the Project, such sources may include, but are not limited to: equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and other types or methods of financing.

Table 1.

Use of Funds	Amount (\$)	\$ per SF of Building Area
Land Acquisition		
Demolition		
Environmental Remediation		
Site Clearance & Preparation		
Soft Costs / Feeds		
Soft Cost Contingency		
Hard Construction Costs		
Total Projected Costs		

Table 2.

Sources of Funds	Amount (\$)	% of Total Project Costs	
Equity			
Developer Equity			%
Other:			%
Total Equity			%
Loans		Rate	Term
Construction Financing		%	mos.
Permanent Financing		%	yrs.
Total Loans			%
TIF Assistance			
Requested Amount			%
Total Sources of Funds			100%

Table 3.

Source Amount	Terms: Years / Interest	Contact Information
Equity		
Loans		

Pro Forma Income and Expense Schedule

Applicants who projects involve the rental of commercial, retail, industrial, or dwelling units must submit project pro formas that identify income and expense projections on an annual basis for a minimum five-year to a maximum eleven-year period. If you expect a reversion of the asset after a holding period, please include that in your pro forma as well. Please check with City Staff to determine the time period needed for the pro forma and identify all assumptions (such as absorption, vacancies, debt service, operational costs, etc.) that serve as the basis for pro formas. **Two (2) sets of pro formas are to be submitted. The first set to show the project without TIF assistance and the second set with TIF assistance.**

For owner-occupied industrial and commercial projects, detailed financial information must be presented that supports the need for financial assistance (see below).

Analysis of Financial Need

Each application must include financial analyses that demonstrates the need for TIF assistance. **Two (2) analyses must be submitted: one set without TIF assistance and the second set with TIF assistance.** The applicant must indicate the minimum return or profit the applicant needs to proceed with the project and rationale for this minimum return or profit. The analyses will necessarily differ according to the type of project that is being developed.

Rental Property: For projects involving rental of space by the developer to tenants (tenants include offices, retail stores, restaurants, industrial companies, households, etc.), an internal rate of return on equity must be computed with and without TIF assistance based on the pro forma of income and expense prepared for the **Income and Expense Schedule** below. The reversion at the end of the ten-year holding period must be based on the capitalized 11th year net operating income. The reversionary value is then added to the 10th year cash flow before discounting to present value. State all assumptions to the analyses.

For Sale Residential: Show profit as a percent of project cost (minus developer fee and overhead and minus sales commission and closing costs, which should be subtracted from gross sales revenue). Other measures of profitability may be submitted, such as a profit as a percent of sales revenue.

Mixed Use Commercial / For-Sale Residential: Provide either separate analyses for each component of the project or include in the revenue sources for the for-sale portion, the sale value of the commercial component based on the net operating income of the commercial space at stabilization. Indicate how the sale value was derived.

Owner-Occupied Commercial: For projects, such as “big box” retail projects, provide copies of the analyses that the company needs to meet or exceed the company’s minimum investment threshold(s) for proceeding with the project.

Competitive Projects: In instances where the City is competing with other jurisdictions for the project (e.g., corporate headquarters, new manufacturing plant), present detailed analyses that demonstrate the capital and operating cost differential between the proposed location(s) in Onalaska and locations that are seriously being considered by the applicant.

Table 4. Detailed Pro Forma - Expense Schedule (or attach comparable).

Use of Funds	Amount (\$)
Land Acquisition	
Demolition	
Environmental Remediation	
Site Clearance & Preparation	
Infrastructure	
Utilities / Removal	
Utilities / Relocation	
Utilities / Installation	
Hazardous Materials Removal	
Other:	
Total Site Clearance & Preparation	
Soft Costs / Fees	
Project Management (%)	
General Contractor (%)	
Architect / Engineer (%)	
Developer Fee (%)	
Appraisal	
Soil Testing	
Market Study	
Legal / Accounting	
Insurance	
Title / Recording / Transfer	
Building Permits	
Mortgage Fees	
Construction Interest	
Commissions	
Marketing	
Real Estate Taxes	
Other Taxes	
Other:	
Other:	
Subtotal Soft Costs / Fees	
Soft Cost Contingency	
Hard Construction Costs	
Reserve	

Table 5. Revenue Projections – Income Schedule (or attach comparable).

	Year 1	Year 2	>>Year 11
Income Rent per SF (or average)	\$	\$	\$
Commercial Rent	\$	\$	\$
Commercial Expense Recoveries	\$	\$	\$
Residential Rent	\$	\$	\$
Other Revenue:	\$	\$	\$
Gross Potential Income	\$	\$	\$
Commercial Vacancy (%)	\$	\$	\$
Residential Vacancy (%)	\$	\$	\$
Effective Gross Income (EGI)	\$	\$	\$
Expenses	\$	\$	\$
Maintenance & Repairs	\$	\$	\$
Real Estate Taxes	\$	\$	\$
Insurance	\$	\$	\$
Soil Testing	\$	\$	\$
Management Fees	\$	\$	\$
Professional Fees	\$	\$	\$
Other Expense:	\$	\$	\$
Other Expense:	\$	\$	\$
Total Expenses	\$	\$	\$
Net Operating Income (NOI)	\$	\$	\$
Capital Expenses (reserves, tenant improvements, commissions)	\$	\$	\$
Debt Service	\$	\$	\$
Net Cash Flow (before depreciation)	\$	\$	\$
Reversion in Year 10			
Year 11 NOI before Debt & Capital Expenses			
Capitalization Rate		%	
Gross Reversion			

Table 6. Revenue Projections – For-Sale Project

Gross Sales Revenue Housing Units	Unit Type*	Number	Price / Unit
			\$
			\$
			\$
			\$
			\$
			\$
Total Housing Sales:			\$
*affordable units if any			
Housing Unit Upgrades:			\$
Commercial Space	Unit Type*	Size (SF)	Price per SF
			\$
			\$
			\$
Total Commercial Sales			\$
Total Gross Sales Revenue			\$
Cost of Sales	Percent	Amount	
Commissions	%	\$	
Marketing	%	\$	
Closing	%	\$	
Other Costs:	%	\$	
Total Cost of Sales	%	\$	
Net Sales Revenue		\$	

Part 4: Application Submittal.

Filing Requirements

Provide all of the following items along with the signed application:

- Fee: An application fee of \$1,000.00 dollars to cover City costs associated with evaluating a TIF application. Make check/money order payable to the City of Onalaska.
- Site Maps: Provide a series of maps that show the location of the site/parcel boundaries, site plan/project components, and the immediate surroundings. TIF/TID Mapping: note location of proposed TID boundary, existing TID boundary (if applicable), or area to be amended and included in an existing TID boundary. Additional maps may be required for presentations.
- Project Renderings: Provide preliminary architectural drawings, plans and colored renderings for the project. Additional maps may be required for presentations.

Agreement

I, by signing this application, agree to the following:

- I have read and will abide by all the requirements of the City of Onalaska Tax Increment Financing Policy and Procedures.
- I acknowledge that all information submitted with this application is subject to Wisconsin Public Records Law. If the applicant deems any portion of the submission proprietary or a confidential business record, the applicant may mark such submission confidential and the City shall hold the record in confidence until the completion of staff review. The applicant may either withdraw confidential information prior to the application being considered by the Finance & Personal Committee or allow such reports to become public record.
- The information submitted is correct.
- I agree to pay all costs involved in the legal and fiscal review of this project. These costs may include, but not limited to, bond counsel, outside legal assistance, and outside financial assistance, and all costs involved in the issuance of the bonds or loans to finance the project.
- I understand that the City of Onalaska reserves the right to deny final approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
- The undersigned authorizes the City of Onalaska to check credit reference and verify financial and other information.
- The undersigned also agrees to provide any additional information as may be requested by the City of Onalaska after filing of this application.

Applicant Printed Name / Title

Applicant Signature

Date

Tax Increment Financing (TIF) Goals, Objectives, and Procedures

SECTION 1: TIF GOALS

The City of Onalaska's Goals for the use of TIF include (not in priority order):

- Growing the City's property tax base.
- Fostering the creation and retention of family-supporting jobs.
- Encouraging adaptive re-use of obsolete or deteriorating property and promote the efficient use of land through redevelopment of blighted areas.
- Encouraging infill projects that increase (or decrease) where appropriate density consistent with the Comprehensive Plan.
- Funding public improvements that enhance development potential, improve the City's infrastructure, enhance transportation options, and improve the quality and livability of neighborhoods.
- Reserving sufficient increment for public infrastructure in both TIF project plans and TIF underwriting.

SECTION 2: DEVELOPMENTS ELIGIBLE FOR TIF FUNDING

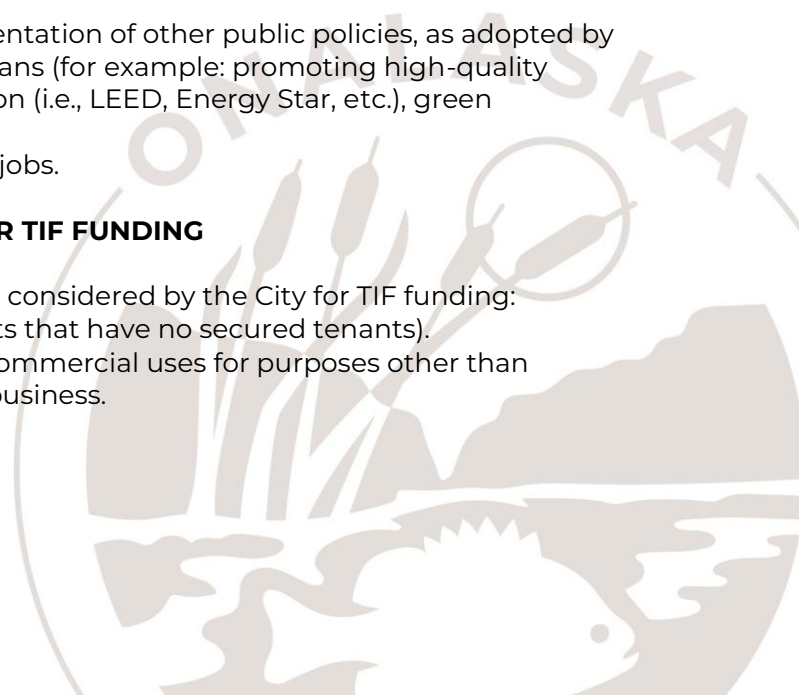
The following types of development will be considered by the City for TIF funding:

- Business development (attraction, retention, and/or expansion). TIF assistance for business development will be evaluated on its impact on existing local markets.
- Mixed-use development that creatively integrates commercial and retail projects cohesively with residential development.
- Revitalization of deteriorated buildings.
- Projects that promote redevelopment in the City's downtown, Center 90 corridor, State Road 16 corridor, County Road OT/Abbey Road/Commerce Road area, or HWY 53 corridor.
- Projects that promote neighborhood stabilization or revitalization.
- Projects that promote commercial and/or industrial development.
- Projects consistent with approved TIF Project Plans.
- Projects that involve environmental clean-up, removal of slum and blighted conditions.
- Projects that contribute to the implementation of other public policies, as adopted by the City of Onalaska, and its strategic plans (for example: promoting high-quality architectural design, energy conservation (i.e., LEED, Energy Star, etc.), green infrastructure, greenway plans, etc.).
- Fostering the creation and retention of jobs.

SECTION 3: DEVELOPMENT NOT ELIGIBLE FOR TIF FUNDING

The following types of development will not be considered by the City for TIF funding:

- Speculative office development (projects that have no secured tenants).
- Relocation of existing offices, retail, or commercial uses for purposes other than retaining or substantially expanding a business.



- Standalone residential development projects or luxury housing unless limited by site and environmental conditions which make the project financially infeasible. Luxury housing is defined as housing with rents or purchase price above the current market average at the time the application for TIF funding is made.
- Projects not consistent with the City of Onalaska Comprehensive Plan or Future Land Use map.

SECTION 4: TIF PROCESS/PROCEDURE

Capital Budget TIF Application Deadline.

To the extent that the Planning Department is able to anticipate projects expected in the upcoming calendar year that require City funds, City Staff will request Capital Budget allocations for pipeline projects. Developers are encouraged to make City Staff aware of upcoming projects prior to key Capital Budget deadlines. Typically, these deadlines are:

- City Staff Capital Budget requests: Mid-June
- Executive Budget: Released in early September
- Budget Adoption: November/December

Developers should be aware that other City TIF funding not included in the Capital Budget will require a super-majority vote to adopt a budget amendment.

TIF Application without an Existing TID.

Projects located outside of an existing TID may receive TIF support through the creation of a new TID or by amending the boundary of a nearby TID to bring the project into that TID. The City of Onalaska requires approximately five (5) months to create or amend a TID. TIF law requires that all districts either be created or amended by September 30 of each year in order to be certified for that year (if the boundary includes privately-held properties). Developers seeking TIF assistance for development on a parcel(s) that is not located in a TID boundary, and requires either amendment or creation of a TID as part of their request for TIF assistance should ideally apply for TIF and land use approvals by April 15. Applications for TIF after April 15 will be considered, but may bear additional risk for the developer because a TID may not be created in time.

Application Process.

When an application for TIF assistance is received, City Staff shall set up a meeting with the developer(s) to provide detailed information regarding the proposed project. City Staff will complete an initial review of the TIF application based upon the City's TIF Policy and TIF Request Procedures.

Application Documents.

TIF applicants shall provide the City with all necessary documents to complete a thorough review of the application (as detailed in the TIF Request Application).

TIF Request Application Fee.

The Application Fee is one thousand dollars (\$1000.00) made payable to the City of Onalaska.

Finance and Personnel Committee Staff Report.

City Staff shall draft a written report of its recommendation to the Finance and Personnel Committee. This report shall include the following:

- The amount of TIF requested.
- The type of project: Redevelopment, Affordable Housing, and/or Jobs Project.
- Whether or not a gap has been identified by City Staff.

- The estimated value and projected increment created by the project.
- The financial health and age of the TID.
- The amount of TIF (if any) recommended.
- A general statement of comments or issues concerning the project.
- Identify any requested exceptions to TIF Policy.

Common Council Consideration of TIF Funding.

The Common Council, as advised by the Finance and Personnel Committee, makes the final decision on approval of TIF financing. In evaluating a TIF proposal, the Finance and Personnel Committee and Common Council shall consider the following factors:

- How the project meets the City's and District's TIF goals.
- Whether the financing amount is appropriate and in the public interest.
- The financial risk to the City, including such factors as:
 - The current welfare of the district, including existing debts, remaining lifetime, and future public improvements required by the District Plan, Capital Improvement Plan or by the project itself.
 - The TIF amount percentage of Net Present Value of increment. Generally speaking, higher percentages increase the risk to the City and reduce the amount of increment available for public improvements, future loans, and cash out at district closure.
 - The catalytic effect of the project within the district, such as job creation and blight abatement.
- Development Agreement/TIF Term Sheet. The Developer will be required to enter into a Development Agreement with the City as approved by the Common Council and accept the TIF Term Sheet prior to distribution of funds.

Annual Report. The Common Council shall be provided with a summary of the City's TID and TIF funding and financial statements on an annual basis.