

**TOWN OF WINDSOR
TOWN BOARD RESOLUTION 2014-70**

**RESOLUTION ADOPTING TAX INCREMENTAL FINANCING POLICY AND
APPLICATION FOR TAX INCREMENTAL DISTRICT NO. 1 (TID No. 1)**

WHEREAS, earlier this year, the Town of Windsor created Tax Incremental District No. 1 (TID No. 1) which includes a Project Plan; and

WHEREAS, the Town Board wishes to put a policy in place to guide implementation of the Project Plan and use of TID No. 1 as an economic incentive in a fiscally responsible manner; and

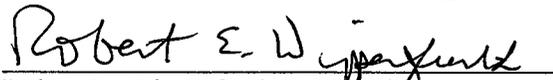
WHEREAS, the Town Board has reviewed the attached Tax Implementation Financing Policy and Application dated November 14, 2014 (the TIF Policy) and considered the policies set forth therein, which have been recommended to the Town by Town staff and consultants.

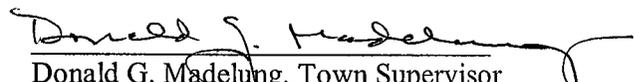
NOW, THEREFORE, BE IT RESOLVED by the Town Board of the Town of Windsor as follows:

1. The Town Board adopts the TIF Policy to provide guidance with respect to projects and development in TID No. 1.
2. The Town Board shall review the TIF Policy on a regular basis, and shall make a particular effort to review the TIF Policy following experience with projects in TID No. 1.

The above and foregoing Resolution was approved at the regular meeting of the Town Board of the Town of Windsor on the 20th day of November, 2014.

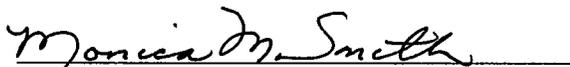
TOWN OF WINDSOR


Robert E. Wipperfurth, Town Chair

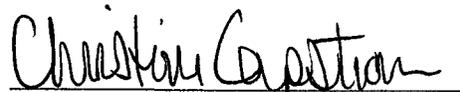

Donald G. Madelung, Town Supervisor


Bruce Stravinski, Town Supervisor


Alan Buchner, Town Supervisor


Monica M. Smith, Town Supervisor

Attested by:


Christine Capstran, Town Clerk

Tax Incremental Financing Policy and Application -TID No. 1

INTRODUCTION

Tax Incremental Financing (TIF) is an economic development tool available to local governments to spur desired economic development that will not occur without public investment.

This policy describes how and when Windsor will provide TIF for a particular project. Part 1 of this policy articulates the objectives of TIF funding in the Town of Windsor TID No. 1, the standards that an Applicant must meet to qualify for TIF funding, and the review process that must be completed prior to the award of TIF funding to an Applicant. Part 2 contains the application requirements.

PART 1: TOWN STANDARDS AND REVIEW PROCESS

1. GENERAL INFORMATION

1.1. What Types of Development Are Eligible for TIF Assistance?

- 1.1.1. Business development that has a positive impact on the local market by increasing job opportunities.
- 1.1.2. Mixed use development that creatively integrates commercial and retail projects into a residential development.
- 1.1.3. Retail development that serves local residents.
- 1.1.4. Projects that support and promote retail development, including certain types of residential development.
- 1.1.5. Projects consistent with the approved TIF Project Plans.
- 1.1.6. Projects consistent with the Town's Comprehensive Plan.

1.2. What Types of Development Are Ineligible?

- 1.2.1. Speculative office development (projects that have no secured tenants).

1.2.2. Stand alone residential development projects unless limited by site and environmental conditions that make the project financially not feasible.

1.2.3. Projects that are inconsistent with the Town's Comprehensive Plan.

1.2.4. Industrial projects.

1.3. What Costs Are Eligible?

TIF eligible expenditures are defined by the Wisconsin Statutes and may be further limited by the Town of Windsor. (See Wis. Stat. §66.1105(2)(e).) The following are typical eligible costs:

1.3.1. Capital costs, including actual costs of:

- a. Construction of public works or improvements;
- b. Construction of new buildings, structures, and fixtures;
- c. Acquisition of equipment to service the district;
- d. Restoration of soil or groundwater affected by environmental pollution; and
- e. Clearing and grading of land.

1.3.2. Real property purchase costs.

1.3.3. Costs for professional services (planning, architectural, engineering and legal).

1.3.4. Relocation costs.

1.3.5. Environmental remediation costs.

1.3.6. Administrative costs (services, publication and notification costs).

2. THRESHOLD REQUIREMENTS.

In order to qualify for TIF assistance, and to have the Town proceed with further review of an application, the Applicant must present the Town Board with sufficient information to support findings that all of the threshold requirements are met.

2.1. Location.

The proposed project or development must be within the boundaries of Windsor's TID No. 1 and/or be of sufficient benefit to TID No. 1 to qualify for TIF funding.¹

¹ For example, if a well was needed to serve a portion of the Town and TID No. 1 was within that portion of the Town, TID No. 1 could fund the costs for a portion of that well.

2.2. The “But For” Test.

The threshold determination that Windsor must make is that the project or development² would not occur “but for” the assistance provided through TIF. This decision is made by evaluating information provided by the Applicant. The burden is on the Applicant to make its case to Windsor, and not on Windsor to make the case for the Applicant. Unless Windsor makes a finding that “but for” TIF funds, the development would not occur, TIF will not be available for the development.

2.3. Substantial and Significant Public Benefit.

In addition to the “but for” test, Windsor requires that projects receiving TIF funds provide a substantial and significant public benefit. An Applicant can demonstrate a “substantial and significant public benefit” by establishing one or more of the following:

1. The project will strengthen Windsor’s economic base.
2. The project will result in the construction of desirable public improvements.
3. The project will strengthen Windsor’s employment base.
4. The project will increase property values and tax revenues.
5. The project will Implement the Comprehensive Plan.
6. The project will attract desirable businesses to the community.
7. The project’s anticipated benefits are commensurate with the costs for the project itself and the community as a whole.

Town staff will assist in initial review of the threshold tests with the Applicant. Town staff and/or consultants may prepare a staff report summarizing recommendations for consideration by the Town Board. Following consideration of the staff report, if any, the Town Board will evaluate the proposed project and determine whether it does or does not meet the threshold tests. The Town Board’s action following review will include a basis for findings as to: (1) whether the proposed project satisfies the “but for” test; and, (2) whether the proposed project provides a substantial and significant public benefit. The Town Board will be thorough and exercise due care when considering these issues and making these findings, and will bear in mind whether the costs incurred are equitable to the Town of Windsor as a whole.

In sum, TIF financing is only available for a project if the Town Board finds that the project satisfies these threshold tests:

1. The project is in or benefits the TID.
2. The project meets the “but for” test.
3. The project provides a substantial and significant public benefit.

The motion regarding these threshold requirements, and basis for making findings for each of these issues, should be reflected in the Town Board meeting minutes.

The Town staff expense and consultant fees incurred to make the threshold determinations set

² For convenience, only the term project is used in this policy. It is assumed that the overall development will always be considered given that it is the development that provides the context for the project.

forth in Part 1, Section 2 shall be TIF-eligible expenses and reimbursed by TID No. 1 to the Town.

3. ECONOMIC IMPACT ANALYSIS.

During the meeting where the Town Board determines whether the threshold requirements have been met, the Town Board will also begin to consider the economic impact of the proposed project(s).

Depending on the nature of the project and the level of TIF contribution requested, the Town may request that the Applicant provide an economic impact analysis before the Town Board makes additional recommendations. The economic impact analysis will be provided at the Applicant's expense, and completed for the Town's benefit by a financial advisor selected by the Town. The issues to be analyzed will be recommended by the Town Board in consultation with its financial advisor, as needed.

The Town staff expenses and consultant fees incurred by the Town with respect to the economic impact analysis (Part 1, Section 3) (including preliminary consultation with the financial advisor, if needed prior to an economic impact analysis) shall be TIF-eligible expenses and reimbursed by TID No. 1 to the Town. The cost of the economic impact analysis shall be a TIF-eligible expense for the Applicant provided that the project is approved and a TIF Agreement entered between the Town and the Applicant.

4. FINANCIAL CRITERIA: GUIDELINES FOR TIF AGREEMENT.

All agreements to provide TIF funding shall be set forth in "An Agreement to Undertake Development in TID No. 1" (TIF Agreement) by and between the Applicant and the Town. The TIF Agreement will be prepared by the Town Attorney at the Applicant's expense (using the same method as the Town uses for cost reimbursement when Development Agreements are prepared for public infrastructure requirements in subdivisions, and shall be a TIF-eligible expense for the Applicant provided that the project is approved and a TIF Agreement entered). The TIF Agreement shall be prepared in accordance with the following guidelines:

4.1. Compliance with Wisconsin Statutes and TID No. 1 Project Plan.

All TIF assistance shall comply with Wisconsin Statutes and Windsor's adopted TIF Project Plan.

4.2. Maximum Assistance Provided.

The total amount of TIF assistance in support of a project should not exceed 15% of the estimated total taxable value of the project. Windsor will consider the costs of designing and constructing public roads and utilities (e.g., sanitary and water facilities) as part of the total maximum assistance supplied by Windsor. Where roads or utilities are designed to accommodate more than the needs of a specific development, Windsor will consider only that portion of the total design and construction costs attributable to the specific development as part of the total maximum assistance supplied by Windsor.

4.3. Form of Incentives.

Windsor prefers that TIF incentives be provided using a pay-as-you-go model. In a pay-as-you-go model, Windsor pays the Applicant for certain approved projects when the project is complete and Windsor receives the taxes paid on the agreed upon incremental value. The form of incentives shall be stated in the TIF Development Agreement by and between the Applicant and the Town.

4.4. Financial Assurances Required.

The Applicant must provide guarantees and assurances that Windsor deems adequate to cover any shortfalls that may arise between the agreed upon increment value and the actual increment value. The nature of the assurances shall be included in the TIF Development Agreement by and between the Applicant and the Town.

4.5. Payback Period.

All requests for TIF assistance will be required to demonstrate that the property tax payments expected to be generated by the project will be sufficient to payback any tax increment debt, or other Windsor incurred costs, in support of the project, within no more than 10 years from the authorization of the developers agreement. For “pay as you go” agreements, the payback period shall be for 10 years or until the TID is terminated, whichever is less.

5. POLICY CONSIDERATIONS: PROJECT SCORING.

In addition to the threshold requirements, economic impact analysis and financial criteria set forth above, the Town Board will review additional policy considerations prior to awarding TIF assistance. The Chart attached as Exhibit A lists many of these policy considerations.

Projects that accumulate at least 50 points based on scoring of the criteria set forth on the Chart satisfy the policy criteria for TIF assistance. When scoring a project, the points assigned can range from 0 to the maximum points identified in the Chart.

PART 2: APPLICATION REQUIREMENTS

6. INFORMATION NEEDED FROM APPLICANT.

6.1. General Information: List the Date, Project Name, Tax Key Numbers involved, and the TID District Number the project is affiliated with (If within an existing TID).

6.2. Applicant Information: “Applicant” refers to the proprietor, general partner, authorized member, or manager of an LLC, or corporate office signing this application. List the Name, Title, Company, Address, City, State, Zip, Email Address, Phone, and Fax for these individuals. Also, list pertinent experience information.

6.3. Information about Support Firms: List all attorney’s accountants, contractors, engineers, architects, or other consultants supporting the venture. List the Name, % of Ownership, Title, Company, Address, City, State, Zip, Email Address, Phone, and Fax for these individuals.

6.4. 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.

6.5. Identify consultants involved or proposed to be involved in the project noting relevant experience on similar projects (i.e. civil engineer, land use planner, legal counsel, financial advisor).

6.6. Describe the proposed project, including the size, scope, phasing, construction materials, and impact on parking, traffic and adjoining property. Define the boundaries of the proposed project and show on a map. Provide site plan and typical elevations (if applicable).

6.6.1. Describe the project schedule:

- a. Preliminary Construction Start Date;
- b. Preliminary Construction Completion Date;
- c. Phasing Anticipated; and
- d. Date Occupied or Opened.

6.7. Identify the property which is currently in the control of the Applicant via ownership or option. If under option note the option expiration date.

6.8. Is the property currently zoned for the proposed use? If not, what zoning change will be required?

6.9. Will the proposed project result in the relocation of economic activity from another location with Windsor? If so, discuss the nature of any anticipated relations and the impact the

relocation would have on the neighborhood where such activity is currently located.

6.10. 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.

6.11. 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 format:

- a. Source;
- b. Contact Person and Phone #;
- c. Amount;
- d. Term; and
- e. Status.

6.12. Provide an outline of the costs associated with the development of the proposed project and related parcel located within the Tax Increment District (TID). Identify in the outline those costs you would propose to fund with TIF and the proposed payback time frame.

6.13. Prepare an operation budget for the project that outlines the annual cash flow of the project. Said information will be held in confidence at the request of the developer.

6.14. Discuss and document information used to describe the market feasibility of each element of the proposed project. If formal feasibility or comparable studies have been prepared, attach such reports as an appendix to the application.

6.15. Estimate the incremental property taxes to be generated by the project.

6.16. Identify any proposed tenants of the project. Have leases been negotiated or signed? What type of lease is contemplated?

6.17. Who will own and operate the developed property?

**EXHIBIT A
PROJECT SCORE**

Policy Criteria	Maximum Points	Project Score
1. Attracting, retaining or expanding businesses for the purpose of improving Windsor's economic base. Documentation of financial projections must be provided by the party making the request and will serve as the basis for the agreement.	20	
2. Projects that directly implement specific recommendations of Windsor's Comprehensive Plan.	20	
3. Projects involving retail development that is targeted to encourage an inflow of customers from outside Windsor that result in exported goods, or that provide services or fill retail markets that are currently unavailable or underserved.	15	
4. Presence of extraordinary development costs such as capital purchases and public infrastructure.	15	
5. Proposed employment potential. Number of new employees, skill and education levels required for the jobs, range of salary and compensation rates for the jobs as compared with the median income level for the community, cost of public assistance per job and potential for executive relocation.	10	
6. Enhance the streetscape and pedestrian experience.	10	
7. Quality of development and overall aesthetics (architectural, site design, landscaping, etc.) beyond that which is minimally required by ordinance. Higher standards of building design, materials, and energy efficiency such as meeting LEED certification, Energy Star, etc.	10	
TOTAL SCORE		
Notes and Comments		