



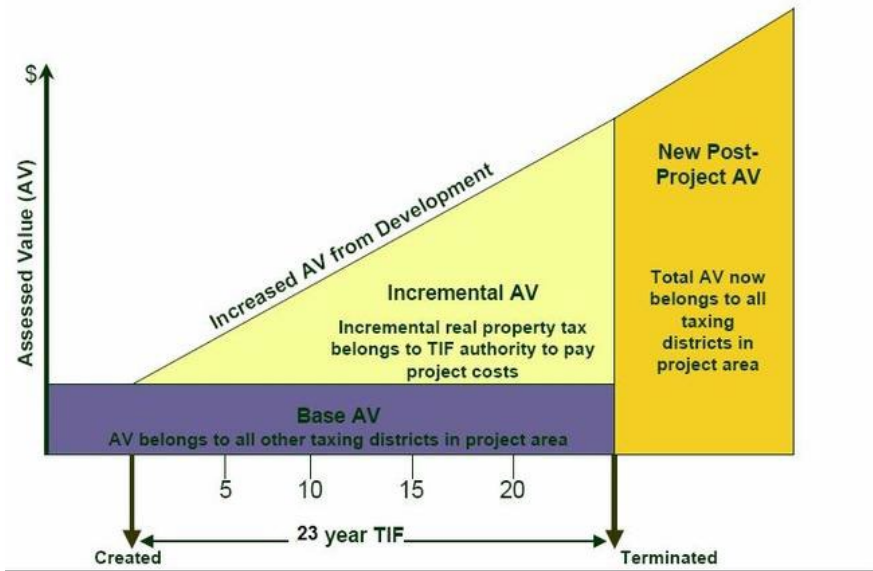
VILLAGE OF WESTON TAX INCREMENTAL FINANCING POLICY

What is TIF?

Tax Incremental Financing (TIF) is a special funding tool available to local municipalities that spurs economic development which otherwise would not occur. When a Tax Increment District (TID) is created property owners within the district continue to pay the same property tax rates as those outside the district. The difference is that tax collections, over and above the “base value” are placed into a special fund that is used to pay for project costs. Once all costs incurred by the creation of the

TID are recouped by the additional tax increment created the TID is closed and the additional property taxes created are shared by all taxing entities. The use of TIF varies from project to project and district to district. In some cases, the Village uses TIF to promote redevelopment of older parts of the community. In other cases, the Village uses TIF to create industrial parks through land acquisition and construction of infrastructure. In both cases, increased property tax collections are used to pay down debt service associated with project costs. The following outlines the Village’s policy regarding TIF.

TIF Assessed Value (AV) Over Project Life



Purpose

The purpose of this Policy is to articulate to existing or potential businesses the Village of Weston’s desire to promote economic development that is consistent with the Village’s Comprehensive Plan and provides a community benefit that will ultimately be shared by all taxing entities (Village, School, Technical College, County, and State) impacted through the establishment of Tax Increment District (TID).

Notwithstanding compliance with any or all the guidelines herein, the provision of TIF assistance is a policy choice to be evaluated on a case-by-case basis by the Village Board. The burden of establishing the public value of TIF shall be placed upon the applicant and the application must substantially meet the criteria contained herein. Village Administration reserves the right to bring any TIF proposal forward for Board consideration.

Tax Incremental Financing (TIF) is a governmental finance tool used to provide funds to construct public infrastructure, promote development opportunities and expand future tax base. TIF assistance is only used when the proposed development would not occur “but for” Village assistance. The proposed development should be consistent with and reinforce all Village plans, including the approved Village Comprehensive Plan; and lead to the creation of jobs, the attraction, retention and expansion of strategic businesses and/or the redevelopment of underutilized properties to eliminate blight.

Meeting statutory requirements, policy guidelines or other criteria listed herein does not guarantee the provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

TIF Authority

The authority and regulations for Tax Incremental Financing and the establishment of Tax Incremental Districts are found in Wis. Stats. 66.1105. The Village of Weston reserves the right to be more restrictive than provided under the statutes.

Basic Provisions

As a matter of policy, the Village of Weston will consider using Tax Incremental Financing to assist private development in those circumstances where the proposed private project shows a **demonstrated financial gap** and that the financial assistance request is the minimum necessary to make the project feasible. The developer is expected to have exhausted every other financial alternative(s) prior to requesting the use of TIF, including equity participation, other federal and state funds, bonds, tax credits, loans, etc.

It is the intent of the Village to provide the minimum amount of Tax Incremental Financing assistance to make the project viable and not solely to broaden a developer’s profit margin on the project. Prior to consideration of a Tax Incremental Financing request, the Village will undertake (at the requestor’s cost) an independent analysis of the project to ensure the request for assistance is valid.

In requesting TIF assistance, the developer must demonstrate that there will be a substantial and significant public benefit to the community by eliminating blight, strengthening the economic and employment base of the Village, positively impacting surrounding neighborhoods, increasing property values and the tax base, creating new and retaining existing jobs, and implementing the Comprehensive Plan.

Each project and location is unique and therefore every proposal shall be evaluated on its individual merit, including its potential impact on village service levels, its overall contribution to the economy and its consistency with the Comprehensive Plan, Strategic Plan, Master Plans or other community planning documents. Each project must demonstrate probability of financial success

“BUT FOR” TIF

The fundamental principle and that which the Village must determine through information provided by the developer is that the project would not occur “but for” the assistance provided through Tax Incremental Financing. The burden is on the developer to make this case to the Village and not the

Village to make this case for the developer. Should this “but for” determination not be made, Tax Incremental Financing for the project cannot be approved.

Goals, Objectives & Priority Economic Development Initiatives

The Village of Weston’s Comprehensive Plan guides the future growth and enhancement of the village over the next 10 to 20 years. More than just a land use plan, the Vision and Direction volume of the Comprehensive Plan provides the village’s vision and directions for economic and housing development, transportation and community facilities, natural resource protection, cultural growth, community image and appearance, intergovernmental relations, and other factors that together form Weston’s future. Chapter 4 of the Village’s Comprehensive Plan’s Vision and Directions Volume speaks specifically to the Village’s future economic development efforts and include a goal, objectives, policies, and initiatives to guide the future enhancement and development of the village through their implementation efforts.

Below are the specific goal, objectives and initiatives within the Comprehensive Plan for economic development. The Village will consider utilizing TIF to meet the following basic goals, objectives and initiatives of the Village.

Goal - Weston will support business retention and development that adds jobs, products, services, and value to the village to maintain our affordable tax rate and enhance our vitality.

Objectives

1. Help existing Weston businesses expand employment and increase sales.
2. Support family-supporting jobs to increase village household incomes.
3. Increase the number of retailers, restaurants, and service providers within the village.

Initiatives

- Attract Retailers in Targeted Sectors.
- Help Expand and Attract Industries in Targeted Sectors.
- Attract Families and Young Professionals to Weston.
- .
- Adopt a Business Retention and Expansion Program.
- Assist Budding Entrepreneurs to Start and Grow Local Businesses.
- Pursue Redevelopment in Smart Growth Areas.
- Implement Other Economic Initiatives detailed in other chapters of the Comprehensive Plan.

The proposed development requesting TIF funding should:

- Support the [Comprehensive Plan](#) and relevant [Master Plans](#)
- Meet the Village Building and Site Design Standards as outlined in [Chapter 94 Zoning](#) Article 10: Building and Site Design Standards.
- Serve as gap financing – not possible “but for” Village assistance
- Primarily used for public infrastructure and publicly accessible areas
- Create jobs, commerce and economic activity

- Include substantial private investment of the applicant
- Utilize loans over grants
- Receive support from neighborhood and stakeholder organizations

What Development is Eligible?

The type of development the Village will consider TIF funding includes:

1. Business development (attraction, retention, expansion). TIF assistance will be evaluated on its impact on existing local markets.
2. Mixed-use developments that creatively integrate commercial and retail projects into a residential development.
3. Revitalization of historically significant or deteriorated buildings.
4. Projects that promote neighborhood stabilization or revitalization.
5. Projects that promote industrial development.
6. Projects that promote retail development.
7. Projects consistent with approved TIF Project Plans.
8. Projects that involve environmental clean-up, removal of slum and blighting conditions.
9. Projects that contribute to the implementation of other public policies, as adopted by the Village in strategic plans such as promotion of high-quality architectural design, energy conservation (i.e. LEED, Energy Star, etc.), green infrastructure, etc.

What Development is Ineligible?

The Village will not favor use of TIF funding to help support the following types of development.

1. Speculative office development (projects that have no secured tenants).
2. Relocation of offices, retail and/or commercial uses for purposes other than retaining or substantially expanding the business.
3. Stand-alone residential development projects unless limited by site and environmental conditions beyond which make the project financially infeasible.
4. Projects not consistent with the Comprehensive Plan.

Eligible Costs

TIF eligible expenditures are defined by Section 66.1105(2)(e) of Wisconsin Statutes, which the Village of Weston may further limit on a project by project basis. The following are typical eligible costs:

1. Capital costs, including actual costs of:
2. Construction of public works or improvements:
 - a. Construction of new buildings, structures, and fixtures;
 - b. Demolition, alteration, rehabilitation, repair or reconstruction of existing buildings, structures and fixtures, other than historic buildings and structures.
 - 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.
3. Real property assembly costs.
4. Relocation costs.
5. Environmental remediation.

Criteria for TIF Assistance

All the following financial criteria must be met in order to be considered for TIF assistance.

1. **Equity Requirement.** Developers must provide a minimum 15% equity of total project costs. Projects that exceed the 15% equity requirement will be looked upon favorably by the Village. Equity is defined as cash or un-leveraged value in land or prepaid costs attributable to the project. TIF shall not be used to supplant cash equity.
2. **Self-Supporting Projects.** Each project requesting TIF assistance should generate sufficient tax increment to cover the requested TIF assistance and a portion of any public infrastructure costs within the district.
 - a. No increment from other private development projects within the district may be used to supplement another project's inability to generate sufficient tax increment to cover project costs.
3. **Land Assembly Cap.** TIF assistance for land/property assembly costs will not be provided in an amount exceeding 10% of the fair market value of the land. The fair market value will be determined by an independent appraiser contracted by the Village with cost of appraisal paid for by developer.

Process of TIF Approval

Tax Increment District creation requires following statutory prescribed timelines that include notification to the overlying taxing jurisdictions (i.e. public school district, technical college, county, village), property owners within the district (depending on the type of district created), and published meeting notification in the newspaper. Ultimately the Village's Plan Commission or Community Development Authority, Board of Trustees, and Joint Review Board all must approve the TIF creation request.

1. A pre-application meeting is held between the developer and the Village.
2. A Tax Incremental Financing Application, attached, is submitted by the developer to the Village.
3. The Village will review the Application and determine completeness and whether the proposed project is eligible under the Village's policy and statutory requirements.
4. An analysis of the financial proformas will be conducted by village staff and/or outside consultants.
5. A credit, criminal, financial and background investigations of the applicant and all parties related to the project, including investors.
6. If approved, a Development Agreement is drafted and negotiated between the Village and Developer.
7. Once general agreement has been reached on the terms of the Development Agreement, it will require approval by the Board of Trustees.
8. Execution of the Development Agreement between the Village and Developer.

Structure for Tax Incremental Financing Assistance

1. Most tax Incremental Financing assistance will be provided by the Village on a pay-as-you-go (“PAYGO”) method or via bond proceeds. A PAYGO incentive is also referred to as a Municipal Revenue Obligation or “MRO”. Requests for up-front financing may be considered on a case-by-case basis if increment generation is sufficient to meet initial financing and debt service costs and is not the first dollars spent on a project.
2. For “PAYGO structured projects, the project owner shall agree to pay all other outstanding Village of Weston property tax bills prior to disbursement of any pay-go payments by the Village.
3. No Mortgage Guarantees. The Village will not provide mortgage guarantees.
4. Personal Guarantee. The Village will require a personal guaranty for receiving TIF assistance. Amount and form shall be acceptable to the Village.
5. The property owner shall agree not to protest to the Board of Review or Circuit Court the Assessor’s determination of the property value for the properties for which the grant is requested.
6. As appropriate, the Village may require a guarantee for an increase in increment value.
7. When the project is intended as a for-sale development (i.e., office, retail or residential condominiums), the developer must retain ownership of the overall project until final completion; provided, however, that individual condominium units may be sold as they are completed. For all other projects, the developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management and to initiate payment of taxes based on the increased project value.
8. Exceptions to TIF Policy. The Village reserves the right to amend, modify, or withdraw these policies or require additional statements or information as deemed necessary. Any party requesting waiver from the guidelines found herein or on any other forms provided for TIF assistance may do so on forms provided by the Village with the burden being on the requestor to demonstrate that the exception to these policies is in the best interests of the Village.

Application Process

Developers who seek TIF assistance must meet with the Administrator, Planning & Development Director and other village staff as appropriate. If staff determines funds may be available, a developer will be asked to submit a TIF Application. A TIF application shall include the following:

- Application describing the nature of the business, proposed plans, and requested assistance.
- Project description, purpose of loan and expected benefits. Include cost estimates for building improvements and other capital expenditures, as well as the ratio of total project cost versus the amount of equity invested by owner.
- Three-year cash flow projections.
- Profit and loss statement for the past three years (if applicable).
- Fees – A fee of \$1,000 is required for processing of the initial application. The \$1000 fee will be rebated at time of occupancy permit issuance. The fee will not be returned on applications which are denied or do not receive an occupancy permit within two years of building permit issuance. An additional fee of \$500 will be charged for each development agreement amendment required. This fee is to cover Village costs associated with evaluating the TIF application. Make your check payable to the Village of Weston.

The Village is not obligated to make a TIF assistance recommendation or conclude negotiations if information has not been presented to its satisfaction or the proposed project lacks feasibility. Meeting policy guidelines or other criteria listed herein does not guarantee the provision of TIF financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

Staff verifies the TIF application and distributes the file for review to relevant Village departments. The draft development agreement term sheet may be sent to the Community Development Authority and/or Finance Committee for review. Village Board approval is required for all TIF Applications that result in a Development Agreement.

The process for approving funds within a current TID (or within a 1/2-mile radius of an existing TID) may take up to 120 days for final approval.



VILLAGE OF WESTON TAX INCREMENTAL FINANCING APPLICATION

The Village of Weston is a proud partner in assisting investment and business development in our community. Our Development Team welcomes consultation with prospective applicants in advance of this formal application process.

Please complete and submit the following information to the Village of Weston for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) assistance. The application is comprised of four parts: 1) Applicant Information, 2) Project/Property Information, 4) Project Budget/Financial Information, and 4) Attachments.

Where there is not enough space for your response or additional information is requested, please use an attachment. Use attachments only when necessary and to provide clarifying or additional information.

Depending on project scope, the Community Development Authority (CDA) may review applications for TIF assistance. The Village Board of Trustees ultimately reviews and acts upon TIF assistance applications. Failure to provide all required information in a complete and accurate manner could delay processing of your application and the CDA and Board reserve the right to reject or halt processing the application for incomplete submittals.

For further information please refer to the “Village of Weston Tax Incremental Financing Policy” document.

Applicant Information

Legal Name: _____

D/B/A: _____

Mailing Address: _____

Primary Contact #: _____ Cell #: _____

Email: _____

Attorney: _____

Legal Entity (check one): Individual(s) Joint Tenants Tenants in Common
 Corporation LLC Partnership
 Other: _____

If not a Wisconsin corporation/partnership/ LLC, state where organized: _____

Will a new entity be created for ownership? No Yes

Name: _____

Tax Identification #: _____

Principals of existing or proposed corporation/partnership/LLC and extent of ownership interests:

Name	Address	Title	Interest

Investors and extent of ownership interests:

Name	Address	Title	Interest

Project/Property Information
Project Narrative

Overall Project Summary and Objectives (feel free to use a separate sheet for your answer):

Parcel Address(es):

Proposed Parcel/Land Area: _____ Acres

Proposed Building Area: _____ Square Feet

of Dwelling Units: _____

of Stories: _____

of Parking Spaces: _____

Current and Proposed Uses: _____

Description of End Users: _____

Current Assessed Value: \$ _____

Current Property Taxes: \$ _____

Describe any zoning changes that will be needed: _____

Identify any other approvals, permits or licenses needed (ie. Liquor License, Health Department. etc.):

Describe briefly what the project will do for the property and/or neighborhood: _____

Project Timeline	
Step	Date
Final Plan/Specification Preparation	
Bidding and Contracting	
Firm Financing Approval	
Construction/Rehabilitation	
Landscaping/Site Work	
Occupancy/Lease Up	

Development Team

Developer: _____

Architect: _____

Surveyor: _____

Contractor: _____

Other Members: _____

Project Budget/Financial Information

Describe why the project cannot occur "but for" Village participation: _____

Identify the sources and uses of funds for the project. Typical sources include equity, lender financing, mezzanine financing, government financing, other anticipated types of public assistance, and any other types or methods of financing.

Use of Funds	Amount (\$)	\$ per SF of Building Area
Land Acquisition		
Demolition		
Environmental Remediation		
Site Clearance and Prep		
Soft Costs/Fees		
Soft Cost Contingency		
Other (please specify)		
Total Project Costs		

Identify the sources/expected sources of financing

Sources of Funds	Amount (\$)			% of total project costs
Equity				%
Developer Equity				%
Other:				%
Total Equity				%
Loans		Rate	Term	
Construction Financing		%	Mos.	
Permanent Financing		%	Yrs.	%
TIF Assistance				%
Other:				%
Total Sources of Funds				100%

Source	Amount (\$)	Terms: Years/Interest	Contact Information
Equity			
Loans			
1.			
2.			
3.			
4.			

Detailed Pro Forma (must correspond to line items for Use of Funds on previous page)

Land Acquisition	\$
Demolition	\$
Site Clearance	\$
Infrastructure	\$
Utilities/Removal	\$
Utilities/Relocation	\$
Utilities/Installation	\$
Hazardous Materials Removal	\$
Other	\$
Total Site Clearance and Preparation	\$
Soft Costs/Fees	\$
Project Management (%)	\$
General Contractor (%)	\$
Architect/Engineer (%)	\$
Developer Fee	\$
Appraisal	\$
Soil Testing	\$
Market Study	\$
Legal/Accounting	\$
Insurance	\$
Title/Recording/Transfer	\$
Building Permit	\$
Mortgage Fees	\$
Construction Interest	\$
Commissions	\$
Marketing	\$
Real Estate Taxes	\$
Other Taxes	\$
Other:	\$
Other:	\$
Sub-Total Soft Costs/Fees	\$
Soft Cost Contingency	\$

Pro Forma Income and Expense Schedule

Applicants whose projects involve the rental of commercial, retail, industrial, or living 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 village staff to determine the time period needed for the pro forma. Identify all assumptions (such as absorption, vacancies, debt service, operational costs, etc.) that serve as the basis for the pro formas. **Two sets of pro formas are to be submitted. The first set should 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 demonstrate the need for TIF assistance. **Two analyses must be submitted: one WITHOUT TIF assistance and one 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.

Attachments

Narrative

Provide a description of the project in the form of a letter addressed to the Village Administrator. The letter should include only the following essential information about the project:

- Description of site or building
- Current condition of site and historical overview
- Description of end users
- Profitability
- Overview of private sector financing
- Summary of increment projections
- Total development costs
- Current and proposed uses
- Project start and end dates
- Description of public benefits, including job creation
- Amount of TIF assistance requested
- Name of developer and owner
- Statement regarding why TIF is essential and why the “but for” provision will be met

Note: In the “but for” discussion, you must clearly describe 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.

Filing Requirements

You must provide all the following items with your signed application for it to be considered complete:

1. **Fee:** A fee of \$1,000 is required for processing of the initial application. The \$1000 fee will be rebated at time of occupancy permit issuance. The fee will not be returned on applications which are denied or do not receive an occupancy permit within two years of building permit issuance. An additional fee of \$500 will be charged for each development agreement amendment required. This fee is to cover Village costs associated with evaluating the TIF application. Make your check payable to the Village of Weston.
2. **Site Maps:** Provide a map that shows the location of the site and a map that focuses on the project and its immediate surroundings.
3. **Project Renderings:** Provide preliminary architectural drawings, plans, and renderings for the project.
4. **Projections:** Provide three (3) years of cash flow projections for the project.
5. **Statements:** Profit and loss statements for the past three (3) years (if applicable) – this may be shared in a closed session if necessary and requested.

Notes

If the project requires planning and/or zoning approvals, you must make these applications concurrent with this request.

Agreement

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

1. I have read, and will abide by all the policies, standards and reporting requirements of the Village for Tax Incremental Financing (TIF).
2. The information submitted is correct and adequately represented.
3. I agree to pay all costs involved in the legal and fiscal review of this project. These costs may include, but not be 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.
4. I understand the Village reserves the right to deny approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
5. I authorize the Village to check references, run/obtain credit reports, verify criminal and financial backgrounds and obtain other relevant information on the applicant and parties.
6. I agree to provide additional information as may be requested by the Village after filing this application.

Applicant Printed Name/Title

Applicant Signature

Date

Please submit all paperwork to: Kristen Fish-Peterson
Economic Development Consultant
Phone: (715) 581-1452
Email: kristen@redevelopment-resources.com

Non-Discrimination Statement - *The Village of Weston does not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations.*