



**City of La Crosse
Tax Increment Finance Incentive
Standards and Process**

City of La Crosse
Planning & Development Department
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Introduction

The purpose of the City's Economic Development Ordinance ([Section 2-402](#)) is to regulate economic development programs and incentives to protect the public health, safety, convenience, general welfare and tax base of the City. This document intends to lay out the process and requirements for the City's main Large Scale Business Assistance Program: Tax Increment Finance (TIF).

Economic Development Commission

The [Economic Development Commission \(EDC\)](#) was created via the Ordinance to act as an advisory body to the Common Council. The Commission shall oversee the administration of the City's Business Assistance Programs and address issues common to the City's economic vitality and viability. The EDC will coordinate the preparation, implementation, and annual monitoring of Tax Increment Financing Districts (TIDs), as well as negotiate the level of development incentive needed in accordance with the provisions of the ordinance. In accordance with Wis. Statutes, Common Council shall have final approval authority of all agreements.

Additional Assistance Options

In addition to TIF, the City may have the following types of large scale assistance available:

- Industrial Park development and redevelopment
- Industrial Revenue Bonds (IRB)
- La Crosse Industrial Park Corporation (LIPCO) projects and loans

Application Process

This section outlines the application process for TIF projects; staff assistance is available to provide guidance in moving through the process. **All applications are due on the first Friday of the month, by 5:00 PM.**

The applicant should expect to give an initial introduction of the project to the Economic Development Commission (EDC) at the subsequent EDC meeting. Regularly scheduled EDC meetings are held on the fourth Thursday of every month. The project will be officially introduced by staff at the following meeting (the second meeting following application submission). The EDC can typically plan to vote at the third meeting following application submission. If the EDC recommends funding approval, the Common Council will then consider and vote on the legislation; the Common Council meets on the second Thursday of every month. **The applicant should expect a 3-6 month turnaround on the project.** Any project requiring the creation or amendment to a Tax Increment District (TID) can expect 6 months or more to process.

This diagram visually outlines the process:



Application Requirements

The Prospect Data Sheet (PDS) is the application as well as the checklist for submission requirements. Wisconsin Economic Development Corporation (WEDC) created the PDS and the City of La Crosse has adopted this application format, which should streamline the process for those applicants applying for both state and local assistance. Some required materials include a business plan (template provided by the [U.S. Small Business Administration](#)), detailed project information, and detailed business information. The executive summary should address the criteria in which the application will be scored, including financial need, public benefit, and land-use compatibility. Refer to the Prospect Data Sheet and attached checklist (located at the end of this document) for detailed submission requirements. Proprietary information may remain confidential upon request.

Financial assistance requests require a \$10,000 application fee. These funds are used to partially cover the City's legal, professional, and administrative costs. If the application is made and, upon review, the project does not move forward, the application fee, minus documented city expenditures for the project, may be refunded to the applicant.

Outside consultants are hired by the City to analyze funding requests, including evaluating the financial need and return on investment (ROI). Up to \$2,500 of the cost for this service will be paid for through the application fee. Any additional fees will be paid for by the applicant.

Scoring Criteria

The standards outlined in Table I provide clear direction and understanding to applicants, City staff, the EDC, and the Common Council. These standards are intended to protect the public's trust and resources, and to ensure that the City treats all applicants fairly and equitably. Project applications will be scored based on criteria found in [Municipal Code 2-402](#), and the results of the scoring will be presented to the EDC and used as part of the due diligence process. Scoring criteria are summarized below.

Notwithstanding compliance with any or all of the standards, the provision of assistance is a policy choice to be evaluated on a case-by-case basis by the Common Council. The burden of establishing the public value of assistance shall be placed upon the applicant and the application must substantially meet the standards. The EDC reserves the right to bring any incentive proposal forward for Council consideration.

This document is a synopsis of the City's Municipal Ordinance for Economic Development. More detailed information can be found in the Ordinance or by contacting City Economic Development staff:

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Table I – Scoring Criteria

| Financial Need - 9 Points Required | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|
| Financial assistance will be provided to fill an identified financial gap. The fundamental principle that the City must determine, through information provided by the developer, is that the project would not occur "but for" City assistance. Financial criteria will be scored as follows: | | |
| Scoring Criteria | Potential Points | Project Score |
| Developer equity: | | |
| • 15% + | 3 | |
| • 15% minimum | 1 | |
| Tax Incremental Financing: % of Project Cost | | |
| • 1-5% | 5 | |
| • 6-10% | 3 | |
| Payback Period: | | |
| • Less than 5 years | 5 | |
| • 6-12 years | 3 | |
| • 13-20 years (20 yrs. max) | 1 | |
| Land Assembly Cap | | |
| • Less than 10% | 1 | |
| Internal Rate of Return | | |
| • 0-9% | 3 | |
| • 10-15% | 2 | |
| • 16-30% | 1 | |
| Increase in Improvement Value | | |
| • 20% + | 2 | |
| • 20% minimum | 1 | |
| Total | 19 | |

| Class | Hourly Rate | Income Descriptions |
|-------|-------------|----------------------------------------------------------------|
| I | \$22.36 | La Crosse County 2014 Average Household Income |
| II | \$17.48 | Average of Class I and II |
| III | \$12.61 | Living wage based on 110% poverty guidelines for a family of 4 |

| Public Benefit - 13 Points Required | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|
| The following will be scored based on stimulating revitalization of the City, its older neighborhoods, industrial areas, commercial districts and Historic Downtown La Crosse. The developer must demonstrate that there will be a significant public benefit to the community by achieving as many of the following public benefits as possible: | | |
| Scoring Criteria | Potential Points | Project Score |
| Job creation* | | |
| • Avg. hourly rate > Class I | 10 | |
| • Avg. hourly rate > Class II | 5 | |
| • Avg. hourly rate > Class III | 1 | |
| • 1 point for every job created in pay Class I | 10 | |
| • 0.5 point for every job created in pay Class II | 10 | |
| • 0.1 point for every job created in pay Class III | 10 | |
| Strengthen the economic base of the City | | |
| • 1 point for every additional \$1,000,000 of assessed value | 3 | |
| Leveraging the maximum amount of non-city funds | 2 | |
| Promote efficient usage of land through elimination of blight and redevelopment of underutilized properties | 2 | |
| Stabilize and upgrade targeted neighborhoods (Powell-Poage and Lower North Side neighborhoods) | 2 | |
| Creating a variety of mixed-use commercial/housing opportunities to increase the number of City residents | 2 | |
| Encouraging development projects that enhance the streetscape and pedestrian experience and improve the vitality of the downtown area by adding interest and activity on the first floor of mixed-use buildings | 1 | |
| Promote use of Mass Transit by actively promoting and participating in the MTU Works pass program for employees | 1 | |
| Attracting desirable businesses and retaining existing businesses | 1 | |
| Contribute to other unique projects or programs not listed that provide public benefits | 1 | |
| Improving infrastructure | 1 | |
| Retention of existing jobs | 1 | |
| Total | 46 | |

| Special Considerations- 7 Points Required | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------|
| Criteria | Potential Points | EDC Score |
| Support an educated workforce | | |
| • Employers develop curriculum, evaluation and assessment tools, and job shadow programs | 2 | |
| • Leadership/partnership with workforce development programs | | |
| Demonstrable efforts to increase the percentage of newly hired and retained employees who reside within the City limits of the City of La Crosse. | 5 | |
| Higher standard of urban design (e.g., mixed use, add vitality to commercial districts by adding interest and activity on the first floor of mixed use buildings, etc.) | 3 | |
| LEED Silver or equivalent | 3 | |
| Providing protection of natural resources | 2 | |
| Additional performance standards which enhances the overall quality of life | 2 | |
| Total | 17 | |

| Eligible Projects | |
|-------------------------------------------------------------------------------------|--|
| • Business retention & expansion and exporters | |
| • Promotion of downtown office and retail | |
| • Projects that contribute to the implementation of adopted City policies and plans | |
| • Promote neighborhood stabilization/revitalization | |
| • Mixed use development in commercial nodes and city gateways | |
| • Projects consistent with approved TIF Project Plans | |
| • Environmental clean-up, removal of blight | |
| • Revitalization of historically designated buildings | |