



Allouez Village Hall • 1900 Libal Street • Green Bay, WI 54301-2453 • (920) 448-2800 • Fax (920) 448-2850

Tax Incremental Finance District No. 1 Development Incentive Guidelines

1. **Statement of Intent.** The Village of Allouez created Tax Incremental Finance District No. 1 (the “TID”) in 2012 for purposes of concentrating economic development efforts on gateways (Riverside Drive) and the existing commercial corridor on Webster Avenue to provide a mechanism to spur economic development and redevelopment within these areas. It is the intent of the Village to provide incentives to developers proposing projects within the TID that are consistent with the objectives of the TID’s Project Plan, and which can be supported with tax increments generated by the value of the project. It also is the Village Board’s intent to support projects which meet our comprehensive plan goals, historical, sustainability and the vision of the community.
2. **Form of Incentive.** Provision of assistance to promote economic development may occur in different forms. The following is a list of some of the ways the Village might assist proposed development and redevelopment projects within the District:
 - a. **Cash Incentive.** The Village may agree to pay a cash incentive to a developer with payments to be made over time as tax increments are generated. The incentive amount, and terms and conditions under which payment will be made will be based on an economic analysis of the projected tax increments that the development will generate.
 - b. **Installation of Public Improvements.** In lieu of or in combination with cash incentives, the Village may install necessary public improvements as a TID expense to enable the proposed development or redevelopment to occur.
 - c. **Land.** In lieu of or in combination with cash incentives, the Village may assist development or redevelopment projects by providing Village land to a developer at no cost or a reduced cost.
 - d. **Other Assistance.** Any other valuable consideration provided to a development or redevelopment project as determined by the Village Board may constitute an incentive.

3. General Incentive Guidelines.

- a. Request. Any request by a developer for assistance must be made to the Village Board in writing, setting forth the specific assistance requested (e.g. cash incentive, installation of a public improvement, etc.), the scope of the developer's project, construction timeline, and expected valuation upon completion.
- b. Analysis. Upon receipt of a request for development or redevelopment assistance, the Village will designate its Financial Advisor and legal counsel or other competent party provides an economic feasibility analysis to determine whether the level of assistance requested is supportable. The analysis will consider the economic value of the development or redevelopment proposal by determining the present value of the tax increments expected to be generated by the project over the remaining life of the TID. The Developer should provide to the Financial Advisor or other consultant a detailed "sources and uses" estimate for the project detailing revenues and expenditures for the project. A determination will be made regarding the appropriate amount of future increment, if any will be provided to a Developer with the balance retained to pay the general costs of the TID to include projects which provide benefit to the entire TID. Furthermore, the analysis must demonstrate that "but for" the use of TID, the project is not financially feasible.
- c. Consideration to Grant Assistance. Based on the economic feasibility analysis, the Village Board will consider granting, modifying or rejecting a developer's request for assistance.
- d. Agreement Required. No assistance will be provided unless the recipient developer first enters into an agreement with the Village setting forth the mutual obligations of the parties.
- e. Cash Incentive Payments. It is the policy of the Village that any agreed on payments of cash incentives will be made on a "pay as you go" basis, meaning that:
 - i. The first payment will not occur until the budget year in which the Village first collects tax increments resulting from the incremental value generated by the project (for example, construction in 2013 will be first valued as of January 1, 2014, with first incremental taxes collected in 2015).
 - ii. Payment of development incentives will be structured so that payments made do not exceed the incremental taxes generated by the project in any given year.

- iii. If for any reason incremental taxes generated by a project are insufficient to make the agreed upon payment, the Village will only pay those amounts available. Furthermore, prior to making any payments in satisfaction of Development Agreement, the TID as a whole must have sufficient funds available to meet all other obligations of the TID.
- f. Duration. The Village will consider requests for assistance submitted through October 18, 2033 (October 18, 2033 is the latest date to make expenditures for this TID, per statute).

4. **Source of Funds.**

- a. It is the intent of the Village to provide incentives, only to the extent that development or redevelopment will occur or has occurred at levels sufficient to generate tax increments to pay for the costs of those projects or incentives. By matching expenditures to the pace of development and redevelopment capable of supporting them, the Village will avoid incurring costs that must be borne by Village taxpayers beyond what can be recovered by the TID.
- b. Since requests for assistance will necessarily occur in advance of the development or redevelopment generating additional tax increments, the Village Board may consider the approval of a developer's agreement to be sufficient to commit to installation of a public improvement or other project cost (other than a cash incentive).
- c. To pay the costs of projects of TID wide benefit, the Village may consider issuance of long-term debt, or may advance funds to the TID from other funds of the Village if insufficient cash is available to pay those costs. In determining whether to borrow or advance funds, the Village will consider:
 - i. The necessity of completing the project before funds are available as it relates to achieving the objectives of the TID Project Plan.
 - ii. The probability that sufficient increment will be available to repay the debt or advance based on the submitted cash flow pro forma.
 - iii. Whether the project is necessary for the general development and improvement of the Village, and would likely be undertaken anyway, even if all of the project costs are not recoverable through TIF.
- d. Any Developer requesting TID assistance that requires the Village to issue long-term debt or advance TID funds must provide adequate guarantees in a signed Development Agreement to ensure the repayment of the TID loan and completion of the project. These guarantees may include, but are not limited to, letters of credit, special assessments, and personal guarantees.

5. **Desired Qualifications.** Preference will be given to criteria as determined by the Village Board including, but not limited to:
 - a. Quality of projects (architectural design, quality construction and materials).
 - b. Projects that provide improvements of a value equal or higher than the surrounding properties and maintain the character and context of the area
 - c. Projects that provide a significant increase in the tax base.
 - d. Projects that provide significant new or retained employment.
 - e. Projects that expand the public amenities or provide for intensity of development along the Riverside Drive, Webster Avenue and Marina Street area corridor.
 - f. Projects that promote or expand the development of for profit medical services.
 - g. Projects that do not place a significant burden on Village services.

6. **Applicability.** These guidelines are intended to provide potential developers and the Village Board with a framework for submitting and evaluating requests for development and redevelopment assistance within the TID. The Village Board may elect to modify these guidelines at any time, or to develop different guidelines for specific project proposals when in the best interests of the Village to do so.

For further information please contact the Village Administrator at (920)448-2800 or email brad@villageofallouez.com.