

# Tax Incremental Financing Policy and Application

## **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 City uses TIF to promote redevelopment of older parts of the community. In other cases the City uses TIF to create industrial parks through land acquisition and construction of infrastructure. Both cases, increased property tax collections are used to pay down debt service associated with project costs. The following outlines the City's policy regarding TIF.

## **Purpose:**

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

Notwithstanding compliance with any or all of the guidelines herein, the provision of TIF 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 TIF shall be placed upon the applicant and the application must substantially meet the criteria contained herein. City Administration reserves the right to bring any TIF proposal forward for Council consideration.

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 Increment Districts are found in Wis. Stats. 66.1105. The City of Oshkosh reserves the right to be more restrictive than provided under the statutes.

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## Basic Provisions:

As a matter of policy the City of Oshkosh 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 City 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 City 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 City, 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 city service levels, its overall contribution to the economy and its consistency with the Comprehensive Plan, Strategic Plan or other community planning documents. Each project must demonstrate probability of financial success.

### "BUT FOR" TIF

The fundamental principle and that which the City 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 City and not the City to make this case for the developer. Should this "but for" determination not be made, Tax Incremental Financing for the project cannot move forward.

## TIF Objectives:

The City will consider utilizing Tax Incremental Financing to meet the following basic objectives:

1. Stimulate and continued revitalization of the central city and downtown area by:
  - a. Improving infrastructure;
  - b. Creating a variety of housing opportunities to increase the number of downtown residents;
  - c. Preventing or eliminating slums and blighting conditions;
  - d. Constructing mixed-use developments;
  - e. Attracting desirable businesses and retaining existing businesses.
  - f. 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.
2. Promote efficient usage of land through redevelopment of blighted areas.
3. Strengthen the economic base of the City and support Economic Development.
4. Stabilize and upgrade targeted neighborhoods.
5. Create and retain family supporting jobs in the City.
6. Increase property values and tax revenues.
7. Leveraging the maximum amount of non-city funds into a development and back into the community.

# **Tax Incremental Financing Policy and Application**

## **What Development is Eligible?**

The type of development that the City 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 central city office and retail development.
5. Projects that promote neighborhood stabilization or revitalization.
6. Projects that promote industrial 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 city in its 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 City will not favor use of TIF funding to help support the following types of development.

1. Speculative office development without one or more anchor tenants.
2. Relocation of offices, retail and/or commercial uses for purposes other than retaining or substantially expanding the business.
3. Office and retail development outside of the central city unless part of a city owned business or industrial park.
4. Stand alone residential development projects unless limited by site and environmental conditions beyond which make the project financially infeasible.
5. Projects not consistent with the Comprehensive Plan.

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## Eligible Costs:

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

1. Capital costs, including actual costs of:
  - a. Construction of public works or improvements;
  - b. Construction of new buildings, structures, and fixtures;
  - c. Demolition, alteration, rehabilitation, repair or reconstruction of existing buildings, structures and fixtures, other than historic buildings and structures.
  - d. Acquisition of equipment to service the district;
  - e. Restoration of soil or groundwater affected by environmental pollution; and
  - f. Clearing and grading of land.
2. Real property assembly costs.
3. Professional service costs (planning, architectural, engineering, and legal).
4. Relocation costs.
5. Environmental remediation.
6. Organizational costs (environmental and other studies, publication and notification costs).
7. Development Incentives in the form of loans or grants.

## Criteria for TIF Assistance:

All of 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 more favorably by the City. 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. Maximum Increment Use. For loans, no more than 75% of the net present value of the tax increment generated by a private development shall be made available to the project. For "pay-go" supported projects up to 90% of the generated annual tax increment can be made available if a financial need is demonstrated and there are no other public infrastructure projects planned in the district.
3. Payback Period. Payback period for loans will match the amortization period but in no case will exceed the statutory life of the district. Preference will be given to projects with payback periods of 10 years or under.
4. TIF Cap. The total amount of TIF assistance should not exceed 25% of total project costs. This limitation may be waived if the project involves redevelopment of existing structures or the assembly and clearance of land upon which existing structures are located.
5. 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.

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*Criteria for TIF Assistance continued from previous page...*

6. 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.
7. 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 City with cost of appraisal paid for by developer.
8. Internal Rate of Return. The amount of assistance provided to a developer will be limited to the amount necessary to provide the developer a reasonable rate of return on investment in the project and the subject site. A developer's return on equity, return on cost or internal rate of return will be based on current market conditions as determined by the City or City's financial advisor. In no case shall the internal rate of return exceed 20%.
9. Taxable Increase. The project should result in an increase in taxable valuation of at least 20% upon project completion.

## Policy Criteria:

In addition to meeting all of the above financial criteria, projects must accumulate at least 50 points based on an established scoring matrix that will become part of the application packet. Points can range from 0 to the maximum shown in each category. The City has established 3 different scoring matrixes:

- Blight/Redevelopment
- Economic Development/Industrial or Business Park
- Mixed Use

Staff will determine the type of scoring matrix that is most applicable to the applicant's project. Applicants are expected to self-score their projects and to provide supporting documentation for each of the scoring categories. Prior to filling out the scoring matrix please contact staff for assistance.

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## 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, city), property owners within the district, and published meeting notification in the newspaper. Ultimately the City's Plan Commission, Common Council, and Joint Review Board all must approve the TID creation request.

The TID creation process generally takes between 90-120 days and depending on the complexity of the request and information required may take additional time. The creation process involves extensive review by City staff, outside consultants, and the Common Council. Applicants will be required to make a presentation to Council prior to the City moving forward with creation of the Project Plan and Development Agreement.

### TID Process Timeline – Example using May 1st

May 1, Staff receives TIF application, distributed to TIF Team (Comm Dev, Public Works, Attorney, Finance). Council is forwarded TIF application.

May 9, Applicant presents their proposal during Council meeting for TIF and Development Agreement. Council goes into closed session to consider proposal and/or determine other information required prior to acting on proposal.

May 10, City provides Ehlers with TID application and receives direction from Council.

May 30, Ehlers will prepare & provide the City with feasibility analysis report, options, and/or draft TIF project plan document. Council is forwarded draft # 1 TIF Project Plan.

May 30, City mails public hearing notices.

June 12, Ehlers provides Council & City Staff with revised draft #2 TIF Project Plan.

June 14, City posts Joint Review Board (JRB) & Public Hearing/ Plan Commission meeting agendas.

June 14, Plan Commission meeting notice & draft to City Attorney for Attorney Legal Opinion. TIF team begins drafting Development Agreement.

June 6-9, First publication of Public Hearing & JRB meeting notice.

June 12, Second publication of Public Hearing & JRB meeting notice.

June 20, Plan Commission approval of TID boundary plan.

June 22, Ehlers provides Council & City staff with revised draft #3 TIF Project Plan.

June 29, City provides Ehlers with the signed legal opinion approving the TIF Project Plan.

July 3, Ehlers provides Council & City staff with draft #4 TIF Project Plan.

July 7, City posts the Council meeting agenda, as well as distributes the resolution & Project Plan for consideration.

July 11, Common Council reviews Plan & takes action on creation resolution approving TIF District Project Plan and boundaries. Council reviews draft Development Agreement – closed session if needed.

July 12, City mails notice & required attachments to JRB of the final meeting, along with the agenda.

July 14, Publication of JRB meeting notice.

July 19 Joint Review board consideration.

July 25 Council takes action on Development Agreement.

September, City will notify the DOR within 60 days of approval that the TIF creation took place.

September to October, City will gather, prepare, and submit state forms & all required documents to state, once the 2017 assessed parcel values available (following the DOR).

# Tax Incremental Financing Policy and Application

## Structure for Tax Incremental Financing Assistance:

1. Tax Incremental Financing assistance will be provided by the City on a "pay-go" note method or via bond proceeds. 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 "pay-go" structured projects, the project owner shall agree to pay all other outstanding City of Oshkosh property tax bills prior to disbursement of any pay-go payments by the City.
3. No Mortgage Guarantees. The City will not provide mortgage guarantees.
4. Personal Guarantee. The City will require a personal guaranty for receiving up front TIF assistance. Amount and form shall be acceptable to the City.
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. The City will retain a maximum of 10% of any tax increment received from the project to reimburse for administrative costs. Until such time as the project generates positive tax increment, the City will charge an administrative fee to the developer to partially offset the cost of record keeping, report preparation, and accounting.
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. Projects receiving assistance shall be subject to a "look back" provision. The look back mandates a developer to provide the City or its financial advisor with evidence of its annualized cumulative internal rate of return on the investment (IRR) at specified periods of time after project completion. The IRR shall be calculated with equity, revenues, and expenses in accord with generally accepted accounting principles. If the financial records indicate that the developer has received a higher return on equity or internal rate of return than originally contemplated at the time of development agreement approval, future TIF contributions may be adjusted or the developer may be required to pay the City back for previous contributions.
9. Exceptions to TIF Policy. The City 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 City with the burden being on the requestor to demonstrate that the exception to these policies is in the best interests of the City.

# Tax Incremental Financing Policy and Application

Please complete and submit the following information to the City of Oshkosh for a more detailed review of the feasibility of your request for Tax Incremental Financing (TIF) assistance. The application is comprised of five parts:

1. Applicant Information
2. Project/Property Information
3. Project Narrative
4. Project Budget/Financial Information
5. Buyer Certification and Acknowledgement.

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.

The Department of Community Development (DCD) reviews all applications for TIF assistance. Failure to provide all required information in a complete and accurate manner could delay processing of your application and DCD reserves the right to reject or halt processing the application for incomplete submittals.

For further information please refer to the "City of Oshkosh Tax Incremental Financing Policy" document or call the Economic Development Division at 920.235.5055

## Applicant Information:

Legal Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Primary Contact #: \_\_\_\_\_ Cell #: \_\_\_\_\_

E-mail: \_\_\_\_\_ FAX#: \_\_\_\_\_

Attorney: \_\_\_\_\_

Legal Entity: \_\_\_\_\_ 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? \_\_\_\_\_ Yes \_\_\_\_\_ No

Principals of existing or proposed corporation/partnership/LLC and extent of ownership interest.

Name:	Address:	Title:	Interest:
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Is any owner, member, stockholder, partner, officer or director of any previously identified entities, or any member of the immediate family of any such person, an employee of the City of Oshkosh? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, give the name and relationship of the employee: \_\_\_\_\_

Have any of the applicants (including the principals of the corporation/partnership/LLC) ever been charged or convicted of a misdemeanor or felony? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please furnish details: \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Tax Incremental Financing Policy and Application

*\*Please attach additional pages if necessary*

Overall Project Summary and Objectives: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Current and Proposed Uses:  
\_\_\_\_\_  
\_\_\_\_\_

Description of End Users:  
\_\_\_\_\_  
\_\_\_\_\_

<p><b>Property Summary:</b> Parcel/Land Area: _____ SF Building Area: _____ SF # of Dwelling Units: _____ # of Stories: _____ # of Parking Spaces: _____</p>
--

Describe any zoning changes that will be needed:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Identify any other approvals, permits or licenses (i.e. Liquor License, Health Department, etc):  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Describe briefly what the project will do for the property and neighborhood:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Tax Incremental Financing Policy and Application

## Project Timetable

## 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: \_\_\_\_\_  
Describe Team expertise and experience in developing similar projects:

Other current Team projects in development:

Financial ability of the applicant to complete the project:

History of use of other city or government financial incentives:

## Professional Studies

**Market Studies:** Applications for commercial and residential projects may at the option of the city be required to include a comprehensive market study. The market study should identify target markets, analysis of competition, demographics, market rents, letters of intent/interest from prospective tenants, or for housing developments, sale prices or rental rates of comparable properties.

**Appraisal:** All projects that involve the transfer of land may at the option of the city include a recent appraisal. Projects that include land as a form of equity or collateral must also submit a recent appraisal. The appraisal must 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, 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.

# Tax Incremental Financing Policy and Application

**Project Budget/Financial Information:**

**Sources and Uses of Funds**

Identify the sources of funds used to finance 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.

<b>Uses of Funds</b>	<b>Amount (\$)</b>	<b>\$ per SF of Building Area</b>
Land Acquisition:	_____	_____
Demolition:	_____	_____
Environmental Remediation:	_____	_____
Site Clearance and Preparation:	_____	_____
Soft Costs/ Fees:	_____	_____
Soft Cost Contingency:	_____	_____
Hard Construction Costs:	_____	_____
Total Project Costs:	_____	_____

**Sources of Funds**

**% of total project costs**

**Equity**

Developer Equity:	\$ _____	_____ %
Other Equity: (_____)	\$ _____	_____ %
Total Equity:	\$ _____	_____ %

**Loans**

	<b>Rate</b>	<b>Term</b>
Construction Financing:	\$ _____	_____ %    _____ mos.    _____ %
Permanent Financing:	\$ _____	_____ %    _____ yrs.    _____ %

**TIF Assistance**

TIF Assistance:	\$ _____	_____ %
Other: (_____)	\$ _____	_____ %
<b>Total Sources of Funds</b>	\$ _____	100%

**Financing**

<b>Source</b>	<b>Amount</b>	<b>Terms: Years/Interest</b>	<b>Contact Information</b>
Equity:	_____		
Loans	1:	_____	
	2:	_____	
	3:	_____	
	4:	_____	

# Tax Incremental Financing Policy and Application

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

**Land Acquisition** \$ \_\_\_\_\_  
**Demolition** \$ \_\_\_\_\_

**Site Clearance and Preparation**

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 \$ \_\_\_\_\_

# Tax Incremental Financing Policy and Application

## 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 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. 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.

**Rental Property:** For projects involving rental of space by the developer to tenants (tenants include offices, retail stores, industrial companies, and households), 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 commissions and closing costs, which should be subtracted from gross sales revenue). Other measure of profitability may be submitted, such as 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 Oshkosh and locations that are seriously being considered by the applicant.

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**Supplemental Information:**

**Revenue Projections - Rental Project**

		Year 1	Year 2	>>Year11
Income	rent per sf (or avg.)	\$ _____	\$ _____	\$ _____
Commercial Rent		\$ _____	\$ _____	\$ _____
Commercial Expense Recoveries		\$ _____	\$ _____	\$ _____
Residential Rent		\$ _____	\$ _____	\$ _____
Other Revenue: (_____)		\$ _____	\$ _____	\$ _____
<b>Gross Potential Income</b>		\$ _____	\$ _____	\$ _____
Commercial Vacancy _____%		\$ _____	\$ _____	\$ _____
Residential Vacancy _____%		\$ _____	\$ _____	\$ _____
<b>Effective Gross Income (EGI)</b>		\$ _____	\$ _____	\$ _____
<b>Expenses</b>				
Maintenance & Repairs		\$ _____	\$ _____	\$ _____
Real Estate Taxes		\$ _____	\$ _____	\$ _____
Insurance		\$ _____	\$ _____	\$ _____
Management Fee		\$ _____	\$ _____	\$ _____
Professional Fees		\$ _____	\$ _____	\$ _____
Other Expense(_____)		\$ _____	\$ _____	\$ _____
Other Expense(_____)		\$ _____	\$ _____	\$ _____
<b>Total Expenses</b>		\$ _____	\$ _____	\$ _____
<b>Net Operating Income (NOI)</b>		\$ _____	\$ _____	\$ _____
Capital Expenses (reserves, tenant improvements, commissions)		\$ _____	\$ _____	\$ _____
Debt Service		\$ _____	\$ _____	\$ _____
<b>Net Cash Flow (before depreciation)</b>		\$ _____	\$ _____	\$ _____
<b>Reversion in Year 10</b>				
Year 11 NOI before Debt & Capital Expenses		\$ _____		
Capitalization Rate		_____%		
Gross Reversion		\$ _____		

EXAMPLE ONLY

# Tax Incremental Financing Policy and Application

## Supplemental Information:

### Revenue Projects - 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**

Commissions	_____ %	\$ _____
Marketing	_____ %	\$ _____
Closing	_____ %	\$ _____
Other Costs ( _____ )	_____ %	\$ _____

**Total Costs of Sales** \_\_\_\_\_ % \$ \_\_\_\_\_

**Net Sales Revenue** \$ \_\_\_\_\_



# Tax Incremental Financing Policy and Application

## Summary Letter

Provide a summary of the project in the form of a letter addressed to the City Manager. The letter should not exceed two (2) pages in length and should include only the following essential information about the project:

- Description of site or building
- Current and proposed uses
- Description of end users
- Project start and end dates
- Profitability
- Description of public benefits, including job creation.
- Overview of private-sector financing
- Amount of TIF assistance requested
- Summary of increment projections
- Name of developer and owner
- Total development costs
- 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.

## Project Narrative

Provide an in-depth overview of the project in narrative format. The narrative must include a description of the following aspects of the project:

- Current condition of the site and historical overview that includes the size and condition of any existing structures, environmental conditions, and past uses of the site.
- Proposed use(s) of project (e.g. industrial, commercial, retail, office, residential for sale or for rental, senior housing, etc.)
- Construction information about the project including: size of any existing structure to be demolished or rehabbed; size of any new construction: types of construction materials (structural and finish); delineation of square foot allocation by use; total number and individual square footage of residential units: type of residential units (e.g. for-sale, rental, condominium, single-family, etc.); number of affordable residential units; number and type of parking spaces; and construction phasing.
- If in an existing TID or redevelopment area, confirm that this project is consistent with the goals and objectives in the Project or Redevelopment Plan.
- A summary of the proposed "green" features to be included in the project. All projects that receive TIF assistance are encouraged to include environmentally friendly features.

# Tax Incremental Financing Policy and Application

## Filing Requirements, Notes, Certification and Agreement:

### Filing Requirements

You must provide all of the following items with your signed application:

1. **Fee:** An application fee of 1% of the requested TIF assistance or \$10,000, whichever is greater. This fee is to cover City costs associated with evaluating the TIF application **and does not cover the use of outside consultants, which if required will be paid for by the applicant.** Make your check payable to the City of Oshkosh.
2. **Site Maps:** Provide a map that shows the location of the site. Also provide a map that focuses on the project and its immediate surroundings. Both maps should be no larger than 11x17 inches. Larger maps will be required for projects presented to the Plan Commission, Redevelopment Authority, or Common Council.
3. **Project Renderings:** Provide preliminary architectural drawings, plans and renderings for the project. These drawings should be no larger than 11x17 inches. Larger maps will be required for projects presented to the Plan Commission, Redevelopment Authority, or Common Council.

### Notes

- The City retains an administrative fee of 5% of the annual tax increment revenue.
- If the project requires planning and 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 requirements of the City for Tax Incremental Financing.
2. The information submitted is correct.
3. I agree to pay all costs involved in developing Project Plan or Development Agreement. These costs may include, but not be limited to, bond counsel, outside legal assistance, outside financial assistance, planning, engineering, etc. and all costs involved in the issuance of the bonds or loans to finance the project.
4. I understand that the City reserves the right to deny final approval, regardless of preliminary approval or the degree of construction completed before application for final approval.
5. The undersigned authorizes the City of Oshkosh to check credit references and verify financial and other information.
6. The undersigned also agrees to provide any additional information as may be requested by the City after filing of this application.

Applicant Name \_\_\_\_\_ Date \_\_\_\_\_