

# City of South Milwaukee



## Tax Increment Financing Application

# Tax Incremental District #5 South Milwaukee



# Welcome to South Milwaukee!



The City of South Milwaukee is located on the shores of Lake Michigan, a few miles from the City of Milwaukee and all the metro area has to offer. It is a small town with big-city amenities and attractions, with affordable housing; historic, walkable neighborhoods; and a revitalizing downtown area with a Main Street feel.

Of the City's over four square miles, more than 25 percent are dedicated to city and county parks, including Grant Park, the county's second-largest and home to the historic Seven Bridges walking trail, golf course, a thriving beach, playgrounds and much more. The City is also home to miles of walking and biking trails, through the park and Oak Creek Parkway. Arts and culture thrive at our very own Performing Arts Center, housed within our pillar of public education at the Middle and High School campus.

South Milwaukee, founded in 1897, has a proud manufacturing heritage that continues to this day. The shovels that built the Panama Canal were made here. The City also has a strong sense of community, and its special events are special. From a vibrant downtown farmers market to food truck days to an annual garden tour to Heritage Week activities in July to a unique collection of holiday events – including a lighted parade and an indoor market – South Milwaukee uniquely celebrates its proud past and promising future.

## Community Plans and Visions

The City of South Milwaukee has outlined its plans and visions in several key publications. While not all are applicable to tax increment financing, those interested in working with TIF in South Milwaukee should familiarize themselves with the following: (*visit <https://www.southmilwaukee.gov/167/Economic-Development>*)

- **Project Plan for TID #5**
- **Comprehensive + Downtown Plan Update**
- **Commercial Façade Design Guidelines**
- **Downtown Strategic Plan**



**Make it Happen Here.**



# APPLICATION FOR TAX INCREMENT FINANCING

## General Information

### To find out more about TIF in South Milwaukee

Common Council Resolution No. 22-22 *Resolution Updating Policies and Guidelines for the Use of TIF*, approved the *Policies and Guidelines for the Use of TIF in South Milwaukee*. The text can be found at the end of this document.

## TIF Application Process Checklist

Average time = 3 months

- Attend Pre-application Meeting with City Staff**  
Potential applicants should meet with City staff to discuss their proposed project before submitting an application.
- Complete and Submit Application Document**  
Fill out Pages 1-4 and attach the relevant information to the application. Each application should be submitted with a concept plan at minimum as well as a list of references with contact information. If you are unsure of what information should be attached to your application, please contact City staff.
- Pay Application Fee**  
The TIF Application fee is listed in the Administrative Fee Schedule found here: <https://wi-southmilwaukee.civicplus.com/371/FormsPermits>
- Answer Questions and Submit Additional Information**  
City staff may have questions or requests in order to consider your application complete. Applications will not be placed on a Plan Commission agenda until City staff determines that the application is complete and adheres to all requirements.

Average time = 2 months

- Attend a Plan Commission Meeting**  
Once your application has been reviewed by City staff, it will be reviewed and discussed by the Plan Commission at a regularly scheduled meeting. Please plan to present at the meeting in which your application will be discussed to answer any questions that the Plan Commission might have.
- Attend a Public Hearing**  
The Plan Commission or Common Council may schedule public hearings.
- Attend a Common Council Meeting**  
At a regularly scheduled meeting, the Common Council will review applications that are recommended by the Plan Commission. Please plan to present at the meeting in which your application will be reviewed.



# APPLICATION FOR TAX INCREMENT FINANCING

## Procedures for Requesting TIF

### Overview of the TIF Request Process

1. An application for TIF assistance on a project is submitted by a private developer to City staff.
2. City staff will review the application and determine whether the application is complete and whether the proposed project is eligible under the City's policy.
3. The application is forwarded by City staff to the Plan Commission for consideration.
4. The Plan Commission reviews and discusses the application.
5. Consideration will be given to material the City staff desires to report.

*Note: The Plan Commission or the Common Council may call for a public hearing as needed to hear testimony from concerned citizens, for project plan amendments, zoning changes, or related matters.*

6. The Plan Commission recommends approval, denies or tables the application.
7. If recommended for approval, the Common Council considers the recommendation of the Plan Commission. The Common Council approves, denies, amends, refers back to Plan Commission, or tables the application.
8. If approved, a development agreement will be executed between the Common Council and applicant.

### Preliminary Determination of Completeness

Upon submission, the application will be reviewed to determine if it is complete. If the application is incomplete or if additional information is needed, the applicant will be notified in writing that the application is not complete. City staff will reference the specific criteria that are not met, the additional information required, or the financial, legal or planning and development concerns.

### Staff Review

City staff will review the application. In addition, when deemed appropriate by the City Administrator, the City's financial advisor and other advisors may review the application. The average staff review time will be 2 weeks, but may be up to 30 days from the date a completed application is submitted



# APPLICATION FOR TAX INCREMENT FINANCING

## Procedures for Requesting TIF, continued

to the City. Particular applications may require more time. Applications which are determined to be complete and consistent with all elements of the city's comprehensive plan, the project plan for the TID in which the project will occur, and in conformance with the *Policies and Guidelines for the Use of TIF in South Milwaukee* will be forwarded to the Plan Commission for consideration. Applicants will be notified in writing of the City's staff forwarding the application to the Plan Commission.

Applications which are determined to be incomplete or do not conform with the Plan Commission's policy will not be forwarded to the Plan Commission. Applicants will be notified in writing of a determination that the application will not be forwarded.

### **Plan Commission Consideration**

The Plan Commission may desire to hold one or more discussion sessions, and may schedule public hearings as required for the application. During this period the applicant may be required to submit additional information. The applicant is expected to make a presentation to the Plan Commission followed by the presentation of any material the City's staff desires to report. Public comment will then be heard, if invited, followed by a response from the applicant. After Plan Commission discussion, action may be taken to approve, deny, or to continue the review to a date certain for further consideration.

If the application is approved by the Plan Commission, the Plan Commission will forward a recommendation for approval to the Common Council.

City staff may require an independent market or financial feasibility study. The cost of such study shall be paid by the applicant and shall be prepared by a professional consultant having a favorable reputation for the preparation of such studies. This study would be submitted to the Plan Commission for consideration.

### **Common Council Consideration**

The Common Council may have a discussion session on the application. The recommendation of the Plan Commission may be approved, denied, amended, referred back to Plan Commission, or tabled by the Common Council.



# APPLICATION FOR TAX INCREMENT FINANCING

## Project Information

Project Name \_\_\_\_\_ TID # \_\_\_\_\_

Property Address(es) \_\_\_\_\_  
For applications covering multiple properties, consider adding additional sheets

Tax Key(s) \_\_\_\_\_

# Employed at each Property \_\_\_\_\_

Area of each Property \_\_\_\_\_ Circle one: sq.ft. acres

Current Property Zoning \_\_\_\_\_  
(see P45 of the 2016 Comprehensive Plan Update)

Current Property Use(s) \_\_\_\_\_

Qty. of existing structures \_\_\_\_\_

Sq.ft. of existing structures \_\_\_\_\_

Property Owner Name(s) \_\_\_\_\_

Property Owner Address \_\_\_\_\_  
Street Address  
City, State, Zip Code \_\_\_\_\_

Total Project Footprint \_\_\_\_\_ Circle one: sq.ft. acres

Total Building sq.ft. of Project \_\_\_\_\_

## Project Description

Briefly describe the project for which the applicant is requesting TIF. If more space is needed to describe your project, please attach an additional page to your application.

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# Funds Requested

Category	Amount	Comment/Description
Proposed Acquisition	\$ _____	_____
Relocation	\$ _____	_____
Deconstruction	\$ _____	_____
Environmental Remediation	\$ _____	_____
Site Preparation	\$ _____	_____
Infrastructure	\$ _____	_____
Site Improvements	\$ _____	_____
Other (describe)	\$ _____	_____
<b>Total Requested Funds</b>	\$ _____	
Estimated Total Project Cost	\$ _____	
Description of Capital Stack	\$ _____	_____
	\$ _____	_____
	\$ _____	_____
<b>Projected Equalized Valuation (Assessment)</b>		
Land	\$ _____	_____
Improvements	\$ _____	_____
<b>Total Projected Value</b>	\$ _____	_____

## Applicant Information

Applicant Name: \_\_\_\_\_ Owner of Property? \_\_\_\_\_  
(First, Last, Organization) (y/n)

Applicant Address: \_\_\_\_\_  
Street Address  
City, State, Zip Code

Applicant Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Applicant Email: \_\_\_\_\_

Applicant's Consultants: \_\_\_\_\_  
architect, engineer, contractor, etc.

\_\_\_\_\_  
 Applicant Signature Date

\_\_\_\_\_  
 Name (please print) Company





## Notes

Please submit one (1) digital copy of the following information and drawings, where applicable, with the TIF Application unless otherwise approved by City staff.

Please note: Items 1, 2, 3 & 4 may be shown on the same drawing if space allows.

1.  Statement of how the project furthers the goals listed in the *Policies and Guidelines for the Use of TIF in South Milwaukee*.
2.  Statement of how the project ties to content of the key publications referenced in the Community Plans and Visions section.
3.  Plan view of the property drawn to scale which includes the following information:
  - Area, in square footage, of the lot
  - Distances from property lines to structures on adjacent lots
  - Easements
  - Existing structures with distances to the property lines
  - Height of proposed structure(s) and height of structures on adjacent lots
  - Ingress and egress from the property
  - Latitude and longitude of project center point
  - Location, style, and height of any lighting structures
  - Location of proposed signs with height
  - North arrow and graphic scale
  - Property address
  - Property lines
  - Proposed structures with distances to property lines
  - Street names and alleys
4.  Landscaping plan with legend showing type and size of plantings.
5.  Plan view showing existing and proposed site grading elevations and drainage improvements, if required by City Engineer.
6.  Plan view showing existing utilities, if required by City Engineer.
7.  Architectural / artistic renderings and an elevation view of the proposed structures from all directions showing heights of proposed improvements, doors, windows and materials.
8.  A list of two professional references for past projects completed by the developer. Preferably, projects that utilized Tax Incremental Financing.
9.  Any additional information required by the City Engineer, Plan Commission, or Common Council including but not limited to water use calculations, traffic counts, or other calculations and information which is pertinent to the proposed use of the land.



## Developer References

1. Name of Project: \_\_\_\_\_

Municipality in which project took place: \_\_\_\_\_

Did the project utilize Tax Increment Financing? Yes \_\_\_\_\_ No \_\_\_\_\_

Municipal staff reference name: \_\_\_\_\_

Municipal staff reference title: \_\_\_\_\_

Municipal staff reference email: \_\_\_\_\_

Municipal staff reference phone: \_\_\_\_\_

2. Name of Project: \_\_\_\_\_

Municipality in which project took place: \_\_\_\_\_

Did the project utilize Tax Increment Financing? Yes \_\_\_\_\_ No \_\_\_\_\_

Municipal staff reference name: \_\_\_\_\_

Municipal staff reference title: \_\_\_\_\_

Municipal staff reference email: \_\_\_\_\_

Municipal staff reference phone: \_\_\_\_\_

This is my first development or redevelopment project.



# POLICIES AND GUIDELINES FOR THE USE OF TAX INCREMENT FINANCING IN SOUTH MILWAUKEE

## Background

During the year 2000, the City of South Milwaukee embarked on a comprehensive planning process, created its first two Tax Increment Financing (TIF) districts – known as a Tax Incremental District (TID). TID #1 and TID #2 are blight elimination TIDs in different commercial areas of the city. Also in 2000, the City organized a Community Development Authority (CDA) and established a Redevelopment District. These efforts came from a strong desire to map out the community's future and put the tools in place to make change. In 2001, the CDA adopted a policy and guidelines for the use of TIF. In 2004 and 2006, the CDA took steps to create TID #3 and TID #4, respectively. TID #3 is a mixed-use TID along the state highway, while TID #4 was an industrial TID along the city's main thoroughfare to the interstate.

The Community Development Authority took the lead in the city on redevelopment and TIF implementation until 2016, when the Common Council disbanded the CDA and transferred its TID oversight duties and responsibilities to the Plan Commission. In 2018, the Plan Commission took steps to create TID #5, covering much of the community's downtown core. In 2019 and 2022, the Plan Commission and Common Council identified a need to adopt new Policies and Guidelines for the Use of TIF in SouthMilwaukee.

The policies that follow are intended to provide guidance to the Common Council, Plan Commission, developers, and the community regarding the types of projects the City would like to consider, the potential amount of assistance that can be expected for eligible projects and the performance expectations for projects which receive TIF funds.

## Important Notice and Disclaimer

The attached policies and guidelines have been prepared by the City of South Milwaukee to guide Plan Commission recommendations regarding Tax Increment Financing (TIF) for projects within a TID. The authority to make decisions regarding the use of TIF funds is vested solely in the Common Council of the City of South Milwaukee. Projects requesting TIF funds are cautioned that the attached information has been prepared primarily for internal use by City staff and the Plan Commission and to inform applicants of the types of projects the Plan Commission would consider recommending for TIF funds. The Plan Commission reserves the right to reject any and all projects, even those which satisfy all of the attached criteria for the use of TIF, for any reason whatsoever, without regard for the viability of the project. Furthermore, the Plan Commission reserves the right to waive any non-conformance to these policies and recommend any project the Plan Commission deems to be in the best interest of the City of South Milwaukee.



# POLICIES AND GUIDELINES FOR THE USE OF TAX INCREMENT FINANCING IN SOUTH MILWAUKEE

## A. General Policy

It is the policy of the Plan Commission and Common Council to consider the judicious use of TIF for those projects which demonstrate a substantial and significant public benefit by constructing public improvements or offering other financial assistance in support of developments that will:

- **address blight, renovate existing building stock, or improve physical conditions**
- **strengthen the employment and economic base of the city**
- **increase property values and tax revenues**
- **create economic, environmental, and equitable stability**
- **instill community self-sufficiency or resilience**
- **implement plans and development strategies adopted by the City**

Care will be exercised in the use of TIF. The Plan Commission and Common Council will thoroughly evaluate each project to ensure that the benefits which are projected to accrue from the project align with above-listed goals and are appropriate for the costs which will result.

## B. Policy Guidelines

The following criteria are to be used by the Plan Commission and Common Council to evaluate requests for TIF:

1. All requests for TIF must clearly comply with the requirements of State Statutes, the policies and guidelines contained within this document, and the City's adopted Project Plan for the TID in question.
  - a. Wisconsin Department of Revenue TID information: [www.revenue.wi.gov/Pages/SLF/tif.aspx](http://www.revenue.wi.gov/Pages/SLF/tif.aspx)
  - b. City of South Milwaukee TID Project Plans: <https://wi-southmilwaukee.civicplus.com/167/Economic-Development>
2. Each request for TIF must demonstrate that "but for" the use of TIF, the project is not feasible on the proposed site and that the public benefits described in Section A would not be achieved. The City may require an applicant to hire, on behalf of the City, an independent consultant to verify an applicant's pro forma to ensure compliance with the "but for" test.
3. All requests for TIF will be required to demonstrate that the property tax payments expected to be generated by the project will be sufficient to service any tax increment debt incurred in support of the project. The Plan Commission may waive this requirement for projects which, in the Plan Commission's determination, provide extraordinary public benefit.
4. The actual amount of TIF funds provided to a project will be determined at the discretion of the Common Council on the basis of need, risk, project characteristics, developer qualifications, and the degree to which the project meets the public objectives described in Section A. The Common



# POLICIES AND GUIDELINES FOR THE USE OF TAX INCREMENT FINANCING IN SOUTH MILWAUKEE

Council is not obligated to provide TIF funds to any project and may reject requests for TIF for any reason, even if the project meets all criteria described herein.

5. The capital stack must illustrate a reasonable financial commitment on the part of the applicant, and indicate the applicant's demonstrated ability to invest in, manage, complete, and operate a project of the proposed value and scale. Requests for TIF must include evidence that the applicant:
  - a. Will be liable for, or contribute equity of at least fifteen percent (15%) of, the total cost of the project. Projects with equity contributions from the developer in excess of 15% may be viewed more favorably.
  - b. May provide a performance bond for the completion of the project.
  - c. Has thoroughly explored alternative financing methods.
6. The Common Council will enter into a development agreement with the applicant for each project which has been approved for TIF. The development agreement will describe the obligations of both the City and the developer, and the terms and conditions associated with TIF funds. Development agreements may require additional security in the form of a letter of credit and/or a personal guarantee by all principals, partners, and others as deemed appropriate by the Common Council. The applicant will be responsible for attorney fees generated as a result of drafting the development agreement.
7. The City may maintain a retainage account, and may require a performance bond or other forms of security until each project is completed and applicant has satisfied all conditions and performance standards described in the development agreement.
8. Requests for TIF for retail and service/commercial projects are encouraged to a) promote the upgrading, expansion or retention of existing retail, service or commercial businesses and/or b) draw customers from outside the city.
9. Requests for TIF which include a) the establishment of a multi-tenant retail, commercial or service center, or b) the redevelopment of existing centers, should include information as to the business type of the major tenants of the project and provide a thorough market analysis.
10. If businesses are to be relocated from other areas of the city into a TID, sufficient justification will be included to indicate why this relocation should be considered. Such justification shall include an analysis of the impact the relocation will have upon two locations: 1) the neighborhood in which the business is currently located, and b) the neighborhood in which the business is proposing to locate.
11. The City may use TIF revenue from a project for public improvements anywhere outlined by State Statutes.
12. Requests for TIF shall propose site designs, interior / exterior building designs, and material usage of a quality consistent with those referenced in the Commercial Façade Design Guidelines regardless of the TID in which the project is proposed.