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**DEVELOPMENT INCENTIVE POLICY**

**SECTION 1: PURPOSE**

The purpose of this policy is to provide guidelines for business development incentive purposes. The following guidelines have been created and adopted by the City of Richland Center to help direct and evaluate requests for financial assistance. This may include, but is not limited to, tax increment financing (TIF), grants, loans, or fee waivers.

The goal of the City is for community revitalization, as outlined in the City of Richland Center's Comprehensive Plan and other relevant documents. To diversify its economic base through the retention and expansion of existing businesses, the redevelopment of the areas that are blighted or in need of redevelopment, the attraction of new industrial users and employment centers, and other projects of special community interest.

These goals will help to establish new employment opportunities for City residents and expand the tax base. These guidelines are intended to provide general direction. The City recognizes that each development and project is unique and should be considered on a case-by-case basis. The City Council may choose to deviate from these guidelines if appropriate for projects of special economic or community interest.

**SECTION 2: DEFINITIONS**

For the purpose of this Development Incentive Policy, the following definitions shall apply:

- **Development Incentive:** A form of financial or other assistance provided by the City to encourage a development project. This may include, but is not limited to, tax increment financing, grants, loans, or fee waivers.
- **Public Benefit:** The positive impact a development project has on the community, which may include, but is not limited to:
  - Job creation
  - Increased tax base
  - Affordable housing
  - Infrastructure improvements
  - Elimination of blight
  - Community revitalization
  - Increased access to services
- **Financial Feasibility:** The likelihood that a development project will generate sufficient revenue to cover its costs and provide a reasonable return on investment, as determined by standard financial analysis practices.
- **Small-Scale Project:** A development project requiring public assistance below a threshold of \$10,000 or as determined by the Economic Development Office.

**SECTION 3: PROCESS TO REQUEST FINANCIAL ASSISTANCE**

**Step 1 - Preliminary Consultation with City Staff**

It is advised that those interested schedule a meeting to discuss their project and request with City staff. Prior to attending the meeting, please carefully review the City's Development Incentive Policy and other background materials regarding possible TIF in Richland Center. Staff may assist by identifying concurrent processes that may be feasible during a TIF assistance approval process, such as rezoning, site plans, conditional use permits, etc. To the greatest extent possible, staff hopes to accommodate a prompt time-frame by running multiple approvals concurrently.

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**Step 2 - Submit Letter of Intent** (or an Application for projects under \$10,000)

A formal request for financial assistance is initiated by the City receiving a letter of intent which should include the following details:

- Description of site or building(s) (e.g., current condition, historical overview, size and condition of existing structures, environmental conditions, past uses, etc.)
- Description of proposed use and end users (e.g., industrial, commercial, retail, office, residential for sale or rental, senior housing, etc.)
- Discussion of profitability
- Overview of private-sector financing
- Summary of increment projections
- Total development costs
- Construction information (e.g., size of existing structures to be rehabbed or razed, size of new construction, type of structural and finish materials, delineation of square foot allocation by use, total number and individual square footage of residential units, type of residential units, number of affordable units, number/type of parking spaces, construction phasing plan, etc.)
- Project start and end dates
- Description of public benefits, including job creation
- Amount of financial assistance requested
- Name of developer and owner
- Draft project renderings (to the extent possible, renderings could be provided at this stage to better explain the site and proposed uses; additional drawings may be required for the project during later steps in the process)
- For TIF assistance – A Statement regarding why TIF is essential and why the "but for" provision will be met. The State of Wisconsin Department of Revenue produces materials on what they expect in terms of the "but for" finding.

**Step 3 - Staff and 3rd Party Consultant Review / Drafting of Development Agreement**

City staff, together with 3rd party consultants (legal, financial, planning, design), will review the proposal. Letter of intent/Application will be reviewed within 30 days of submission, with applicants notified of any additional information required within 15 days of submission. Be advised that the City may require detailed project pro-forma above and beyond what is initially presented in the letter of intent. The City may utilize a 3rd party financial advisor to collect, review, and report on the private financial statements in order to protect confidentiality of sensitive applicant data. The City may bill the applicant for 3rd party consulting fees and/or other related expenses as they pertain to the assistance request review process. In most instances, a Development Agreement is the formal document used to memorialize a TIF assistance package. The City requires that the City Attorney will draft any such agreement.

**Step 4 - City Council Approval**

Final decision-making authority on granting TIF assistance rests with the City Council, after the Joint Review Board's acceptance. However, the Council has the right to defer action for further study/review or outright deny the request.

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**SECTION 4: WAIVER OF REQUIREMENTS.** The Common Council reserves the right to exercise discretion in waiving any or all the requirements of this policy under exceptional circumstances. Any waiver must be consistent with the applicable state and federal laws and local ordinances. Waivers may only be granted for the following reasons:

1. **Emergency Economic Conditions:** The project is deemed critical to stabilizing or revitalizing the local economy in response to an unforeseen crisis (e.g. natural disaster, sudden economic downturn).
2. **Unique Public Benefit:** The project offers a significant and immediate public benefit (e.g. job creation, affordable housing, or infrastructure improvement) that outweighs strict adherence to procedural requirements.
3. **Time Sensitive Opportunity:** Strict compliance would cause the City of Richland Center to lose a time-limited development opportunity with substantial community value.
4. **Small-Scale Projects:** The request involves a minimal amount of public assistance where the cost of a full financial review outweighs the benefit of the analysis.

Any waiver must be approved by a majority vote of the Common Council and accompanied by a written justification citing one or more of the above reasons.

**SECTION 5: ADMINISTRATION AND OVERSIGHT.** The City Administrator or designee shall be responsible for implementing this economic development policy and will lead in facilitating development projects and coordinating efforts with the private sector. As development projects arise, the City Administrator or designee shall inform the City Council of the project details and request for assistance. The City Council is responsible for granting authority to negotiate the types and levels of development incentives with the potential project developers. The City Council shall have the final authority to review and approve all negotiated agreements in accordance with Wisconsin State Statutes. Meeting statutory requirements, policy guidelines or other criteria listed herein does not guarantee the provision of financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

**SECTION 6: PERIODIC REVIEW.** This policy shall be reviewed by the Common Council, or its designated committee, at least once every two years to ensure its continued relevance and effectiveness in achieving the City's economic development goals.

**SECTION 9: EFFECTIVE DATE.** This policy shall take effect on June 3, 2025 and apply to all development incentive requests submitted on or after that date.

**Appendix A:** Development Incentive Application Form

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**ADOPTED** by the Common Council of the City of Richland Center on this 3<sup>rd</sup> day of June by the following votes:  
AYES \_\_\_\_\_, NAYS \_\_\_\_\_.

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Todd Coppernoll, Mayor

Attest:

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## DEVELOPMENT INCENTIVE POLICY

Adopted on June 3, 2025

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Amanda Keller, Clerk