



# Process of TIF in City of Whitewater

Redevelopment Resources, Kristen Fisch-Peterson



# Developer Approaches the Office of Economic Development



# Economic Development Staff meet with Developer to Learn More about his/her vision

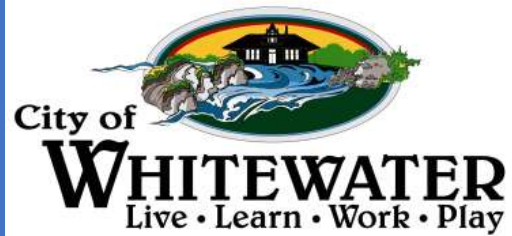


**The developer is required to present a site plan and proforma, outlining costs and investment from them.**



**It is the developer's responsibility to show there is a gap if they are requesting financial support from the City.**





**If the developer is requesting financial incentives, they need to prove their need, that there is indeed a gap, and that the project will not happen without an incentive.**

**Staff Calculates if the gap can be filled with a TIF incentive and checks to see that the project will support the incentive over its allowable lifetime. This is also known as the “But For” test. But for the incentive, the project would not occur.**



**Staff also calculates if it's a reasonable request by calculating a payback period, and a percent of the total project.**

**We try to keep it at a reasonable amount (5%-20%, more if warranted).**







**TID 11**  
**Prospect Drive, LLC**

Project Description	Development of eight 16-unit market rate multifamily buildings			
Location	Morraine View Parkway and Jakes Way, parcel WPB 00044			
Size	10.175 acres			
Number of Buildings	8			
Timeline	Fall 2024-Fall 2025			
Request	\$ 5,007,245 Development Incentive			
Construction Costs	Total construction costs estimated at \$31,962,178			
But For	This project would not be financially feasible for the developer without the TIF incentive and contribution of land. Cash flow from rents on projects like this are not enough to support the debt. Therefore without the contribution of the incentive, this project would not occur in this location at this time.			
<b>Sources/Uses</b>				
Uses/Sources	Total	Owner	Bank	City/TIF
Land	\$ 500,000	\$ 500,000		\$ -
Hard Costs	\$ 28,206,176	\$ 1,200,442	\$ 21,912,607	\$ 5,093,127
Soft Costs	\$ 3,256,002	\$ 3,256,002	\$ -	
Totals	\$ 31,962,178	\$ 4,956,444	\$ 21,912,607	\$ 5,093,127
Guarantee	Developer will guarantee an assessed value of \$24,600,000			
Clawback	Developer will commence construction by October 1, 2024 and complete construction by November 30 2025. Incentive payments will not begin until the first payment of property taxes by the developer. Should the development fall short of the minimum assessed value once constructed, the developer will pay a payment in lieu of taxes (PILOT) for the difference.			

# **Economic Development Staff works with CDA Attorney to draft Developer's Agreement and TIF Agreement**



# TIF Worksheet and Developer Agreement is presented to the CDA for approval

