

"But For" Test Evaluation Worksheet for the City of Whitewater and the CDA

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is 100 points.

Minimum Threshold

A project must score at least 70 points out of 100 to be considered meeting the "but for" standard.

Rater Information

- **Rater Name:** _____
- **Date:** _____
- **Department:** _____

Evaluation Criteria and Examples

1. Necessity of TIF for Development

Description: This criterion assesses whether the proposed development would proceed without TIF support. It is crucial because TIF is intended to stimulate projects that would not otherwise happen due to financial infeasibility.

- **Rating (1-10):**
 - **1-3:** Development would proceed without TIF support.
 - *Example:* A developer has multiple funding sources and the project is already planned regardless of TIF assistance.
 - **4-6:** Development might proceed on a smaller scale or delayed timeline without TIF.
 - *Example:* A developer is hesitant and indicates some parts of the project may be cut or postponed without TIF.
 - **7+:** Development would not proceed at all without TIF.
 - *Example:* The developer explicitly states that without TIF, the project is financially unfeasible and will be abandoned.
 - **10:** Comprehensive analysis shows the development is impossible without TIF and all other funding avenues have been exhausted.
 - *Example:* The developer provides detailed financial reports and evidence showing that without TIF, the project will not proceed and alternative funding sources have been explored and exhausted.
- **Rater Comments:**

2. Economic and Community Impact

Description: This criterion evaluates how the development fits into the municipality's overall economic strategy and land-use plans. It is important because the development should offer significant long-term benefits to the community.

- **Rating (1-10):**
 - **1-3:** The development does not align with the comprehensive land-use plan and has minimal community benefits.
 - *Example:* The project conflicts with the city's zoning plans and offers little long-term economic benefit.
 - **4-6:** The development partially aligns with the comprehensive land-use plan and provides moderate community benefits.
 - *Example:* The project generally fits the city's plans but may need zoning adjustments; it brings some economic advantages but with trade-offs.
 - **7+:** The development aligns with the comprehensive land-use plan and offers significant long-term benefits.
 - *Example:* The project is zoned correctly, supports or creates jobs, and creates meaningful economic growth.
 - **10:** The project is a cornerstone of the city's future economic development plans, with widespread community support and high anticipated economic returns.
 - *Example:* The project not only aligns perfectly with the city's plans but also has endorsements from key stakeholders and detailed projections showing major economic benefits.
- **Rater Comments:**

3. Benefits to Taxpayers

Description: This criterion measures whether the TID expenditure is feasible and beneficial to taxpayers. It ensures that the project is financially sound and offers tangible benefits to the community.

- **Rating (1-10):**
 - **1-3:** The expenditure for project costs is not feasible, and taxpayers see minimal benefit.
 - *Example:* The project's costs far outweigh the potential returns, and it burdens taxpayers.
 - **4-6:** The expenditure is feasible but with moderate risk; taxpayers see some benefit.
 - *Example:* The project is costly but manageable, with some expected return in the form of increased tax increment.
 - **7+:** The expenditure is feasible and offers clear benefits to taxpayers.
 - *Example:* The project is well-budgeted, expected to sustain property values, and generate sustained tax increment.
 - **10:** The project is projected to significantly increase tax revenues while also reducing costs for taxpayers in other areas.
 - *Example:* Detailed financial models show substantial returns on investment, leading to decreased tax rates or increased public services.
- **Rater Comments:**

4. Management and Oversight

Description: This criterion looks at the clarity of roles and responsibilities for managing the TID. Effective management and oversight are crucial for ensuring the project's success and compliance with regulations.

- **Rating (1-10):**

- **1-3:** Responsibility for the TID's management is unclear.
 - *Example:* No specific person or department is designated to manage the TID.
- **4-6:** Responsibility is somewhat clear but may lack comprehensive oversight.
 - *Example:* Management roles are assigned but lack detail in execution plans.
- **7+:** Clear, well-defined management and oversight roles are in place.
 - *Example:* Specific roles and responsibilities are assigned to experienced personnel with a solid management plan.
- **10:** There is an exceptionally detailed management plan with clear accountability and robust oversight mechanisms.
 - *Example:* The project includes a detailed management structure with experienced managers and comprehensive oversight protocols.
- **Rater Comments:**

5. Impact on Local Services

Description: This criterion evaluates the potential strain on local services and how well the project plans to address these impacts. It is important to ensure that the development does not negatively affect existing services.

- **Rating (1-10):**
 - **1-3:** The TID significantly strains local services without adequate planning.
 - *Example:* The project creates significant demand on schools, emergency services, and infrastructure without planned support.
 - **4-6:** The TID moderately impacts local services, but plans are in place to manage these impacts.
 - *Example:* There are some strains on services, but mitigation strategies are partially developed.
 - **7+:** The TID has minimal impact on local services and includes planning to manage any increase in demand.
 - *Example:* Comprehensive planning ensures that local services can handle the increased demand effectively.
 - **10:** The project not only minimizes impact on local services but also enhances them.
 - *Example:* The development includes funding for expanding local services, ensuring they improve alongside the project.
- **Rater Comments:**

6. Risk Assessment

Description: This criterion assesses the financial and operational risks associated with the project and the effectiveness of mitigation strategies. It ensures that the project is resilient to potential challenges.

- **Rating (1-10):**
 - **1-3:** High financial and operational risks with little mitigation.
 - *Example:* The project faces significant financial instability with no risk management plan.
 - **4-6:** Moderate risks with some mitigation strategies in place.

- *Example:* The project has identified risks with partial mitigation strategies, such as minimum assessed value (MAV) or clawbacks but remains somewhat vulnerable.
- **7+:** Low risks with comprehensive mitigation strategies in place.
 - *Example:* All potential risks are well-managed with robust mitigation plans. MAV, Pay-go subsidy, and construction timelines in place.
- **10:** The project has been thoroughly assessed with extensive risk mitigation strategies ensuring its stability.
 - *Example:* Detailed risk management plans are in place, addressing all foreseeable risks comprehensively.
- **Rater Comments:**

7. Job Creation

Description: This criterion evaluates the number and quality of jobs the project will create. Job creation is a key benefit of TIF projects, contributing to local employment and economic growth.

- **Rating (1-10):**
 - **1-3:** The project creates few or low-quality jobs.
 - *Example:* Only a small number of temporary or low-paying jobs are expected.
 - **4-6:** The project creates a moderate number of jobs with mixed quality.
 - *Example:* A fair number of jobs are sustained or created, but many are part-time or low-wage positions.
 - **7+:** The project creates or sustains a significant number of high-quality jobs.
 - *Example:* The development promises to sustain numerous well-paying, stable job opportunities, such as trades, manufacturing, etc.
 - **10:** The project creates a large number of high-quality jobs with strong career prospects and benefits.
 - *Example:* Detailed employment plans show significant, sustained job creation with excellent working conditions and benefits.
- **Rater Comments:**

8. Developer's Public Subsidy Needs

Description: This criterion assesses the justification for the developer's need for public subsidy. It is important to ensure that public funds are used effectively and that the subsidy is necessary for the project's success.

- **Rating (1-10):**
 - **1-3:** The need for public subsidy is poorly justified.
 - *Example:* The developer has not clearly demonstrated the necessity of the subsidy.
 - **4-6:** The need for subsidy is moderately justified with some analysis.
 - *Example:* There is some evidence supporting the subsidy need, but it lacks depth.
 - **7+:** The need for public subsidy is clearly justified with thorough analysis.
 - *Example:* Detailed market analysis and financial documentation strongly support the necessity of the subsidy.

- **10:** The subsidy need is exceptionally well-justified, with extensive analysis and community support.
 - *Example:* Multiple comprehensive studies and community endorsements back the need for the subsidy.

9. Assurances and Guarantees

Description: This criterion looks at the assurances and guarantees provided by the developer to ensure the project will proceed as planned. Strong guarantees are crucial for mitigating risks and ensuring project success.

- **Rating (1-10):**
 - **1-3:** Few or no assurances that the development will proceed as planned.
 - *Example:* The developer provides little commitment or guarantees.
 - **4-6:** Some assurances and moderate guarantees.
 - *Example:* The developer offers some commitments, but they are not comprehensive.
 - **7+:** Strong assurances and guarantees that the development will proceed as planned.
 - *Example:* The developer provides detailed minimum assessed value (MAV) commitments or similar and guarantees for project completion with clawbacks.
 - **10:** The developer provides extensive assurances and legally binding guarantees that the project will proceed as planned, including performance bonds or other financial instruments.
 - *Example:* The project includes detailed, legally binding guarantees and performance bonds or personal guarantees to ensure completion.
- **Rater Comments:**

10. Documentation and Compliance

Description: Proper documentation and adherence to statutory requirements are necessary throughout the process. This includes conducting public hearings, adopting resolutions, and obtaining approvals from the Planning Commission and Joint Review Board. Ensuring full compliance with legal and procedural requirements helps maintain transparency and legitimacy.

- **Rating (1-10):**
 - **1-3:** Documentation is incomplete and compliance with statutory requirements is poor.
 - *Example:* Key documents are missing, and statutory requirements are not fully met.
 - **4-6:** Documentation is somewhat complete and compliance is moderate.
 - *Example:* Most required documents are provided, but some areas need improvement.
 - **7+:** Documentation is complete and compliance with statutory requirements is excellent.
 - *Example:* All required documents are thorough and statutory requirements are fully met.
 - **10:** Documentation and compliance are exemplary, with detailed records and full adherence to all statutory requirements, including conducting public hearings, adopting resolutions, and obtaining approvals from all necessary bodies.

- *Example:* The project has comprehensive, well-organized documentation and has met all legal and procedural requirements without any issues.
- **Rater Comments:**

"But For" Test Evaluation Worksheet for the City of Whitewater and the CDA

This worksheet is designed to help the City of Whitewater and the Community Development Authority (CDA) evaluate whether a proposed development project meets the "but for" standard for Tax Increment Financing (TIF) in Wisconsin. Each criterion is rated on a scale of 1 to 10. The total possible score is 100 points.

Minimum Threshold

A project must score at least 70 points out of 100 to be considered meeting the "but for" standard.

Rater Information

- **Rater Name:** _____
- **Date:** _____
- **Department:** _____

Evaluation Criteria and Examples

9. Assurances and Guarantees

Description: This criterion looks at the assurances and guarantees provided by the developer to ensure the project will proceed as planned. Strong guarantees are crucial for mitigating risks and ensuring project success.

- **Rating (1-10):**
 - **1-3:** Few or no assurances that the development will proceed as planned.
 - *Example:* The developer provides little commitment or guarantees.
 - **4-6:** Some assurances and moderate guarantees.
 - *Example:* The developer offers some commitments, but they are not comprehensive.
 - **7+:** Strong assurances and guarantees that the development will proceed as planned.
 - *Example:* The developer provides detailed commitments and guarantees for project completion.
 - **10:** The developer provides extensive assurances and legally binding guarantees that the project will proceed as planned, including performance bonds or other financial instruments.
 - *Example:* The project includes detailed, legally binding guarantees and performance bonds to ensure completion.
- **Rater Comments:**

10. Documentation and Compliance

Description: Proper documentation and adherence to statutory requirements are necessary throughout the process. This includes conducting public hearings, adopting resolutions, and obtaining approvals from the Planning Commission and Joint Review Board. Ensuring full compliance with legal and procedural requirements helps maintain transparency and legitimacy.

- **Rating (1-10):**
 - **1-3:** Documentation is incomplete and compliance with statutory requirements is poor.
 - *Example:* Key documents are missing, and statutory requirements are not fully met.
 - **4-6:** Documentation is somewhat complete and compliance is moderate.
 - *Example:* Most required documents are provided, but some areas need improvement.
 - **7+:** Documentation is complete and compliance with statutory requirements is excellent.
 - *Example:* All required documents are thorough and statutory requirements are fully met.
 - **10:** Documentation and compliance are exemplary, with detailed records and full adherence to all statutory requirements, including conducting public hearings, adopting resolutions, and obtaining approvals from all necessary bodies.
 - *Example:* The project has comprehensive, well-organized documentation and has met all legal and procedural requirements without any issues.
- **Rater Comments:**

Totals and Final Comments

- **Total Score:** _____ / 100
- **Overall Rating:** _____
- **Recommendation:** _____

Final Comments:

Use this worksheet to ensure a thorough and balanced evaluation of each TIF project. A total score of 70 or above indicates that the project meets the "but for" standard and is likely a good candidate for TIF support.

For more detailed guidelines and the statutory requirements, you can refer to the [Wisconsin Department of Revenue's TIF Manual](#) and their [TIF Information page](#).