

# Finance Committee - TIF Discussion

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In an attempt to address a number of legit concerns, as well as to combat information that may be less than accurate, the following ideas are being proposed as a way to improve the use of TIF within our community. Given that the use of TIF for residential is a relatively new endeavor within the City of Whitewater, it may be helpful to have a number of the standards enumerated below to provide a predictable approach to leveraging this economic development tool.

Patrick Singer 3/25/2025

## PAYGO Incentive

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- Require developers to provide full documentation of project financing sources (e.g., cash, bank loans, grants) and projected profit margins.
  - Establish Market Rate of Return Standard
- Provide a clear financial summary outlining how incentives are applied (e.g., reimbursement for infrastructure costs, rent or purchase price reductions for consumers).
  - Detail uses-by-source-of-funding schedule that will be reimbursed from TIF and any other incentive program for which the applicant intends to apply or has already been awarded.
- Establish total payback option for the city to repurchase incentives from developers using accumulated TID fund balances, similar to accelerated debt repayment. Instead of a fixed % of increment over the life of the district.
- Implement a **Community Impact Fee** via developer agreement, which would establish an amount the developer must annually pay to the City for distributing funds to the city, school district, and other taxing jurisdictions.
  - This would be calculated based on the impact of the development on the overlaying taxing jurisdictions.
  - This could be done based on residential units and standard formula from an organization like SEWRPC.
  - This would only apply to residential related (single / multi family) developments with paygo or debt issuance.

## Enhancing Project Visibility & Public Awareness

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- **Independent Review of Proposals** – Require third-party analysis of all TIF proposals and developers agreement and submit reports to the Common Council, including financial assessments and recommendations. Reports would be publicly available.
- **Public Access to Agreements** – Publish all TIF proposals and developer agreements on the city's website 14 days prior to Common Council consideration.
- **Citizens Financial Advisory Committee** – Establish a resident-led committee with financial expertise to review and provide recommendations on city expenses and revenues, including TIF.
- **Enhanced Public Notice Requirements** – Implement zoning-like notification policies, including public hearings and notices to property owners within a designated radius of the proposed TID.

## Data Transparency & Accountability

- Develop accessible dashboards displaying "but-for" analyses to justify TIF necessity (includes Paygo and Debt for Infrastructure).
- Define measurable metrics for public return on investment.
- Set clear criteria for what qualifies as "blight" and valid "but-for" justification.
- Standardize **Community Impact Statement** to assess effects on surrounding neighborhoods and businesses.