

Tax Increment Financing Making the Best Deal for Your Community

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Overview of Discussion

- Tax Incremental Financing History and Basics
- TIF as Part of Greater Economic Development Efforts
- Assistance Packages - “But For” and Required Findings
- Evaluation of TIF Assistance Request
- Case Study - Village of Shorewood Hills, WI
- Important Considerations when Reviewing Municipal Funding Assistance Requests
- Municipal Funding Assistance Best Practices

Survey of the Audience

- Raise your hand if.....
 - You have a good understanding about the TID/TIF process in Wisconsin (could pass “TIF 101” in planning school).
 - You or your community partners use TIF regularly as part of you community development efforts (infrastructure or development incentives).
 - Your community has an economic development strategy that targets and tracks metrics to measure your economic development success.



Tax Incremental Financing History and Basics



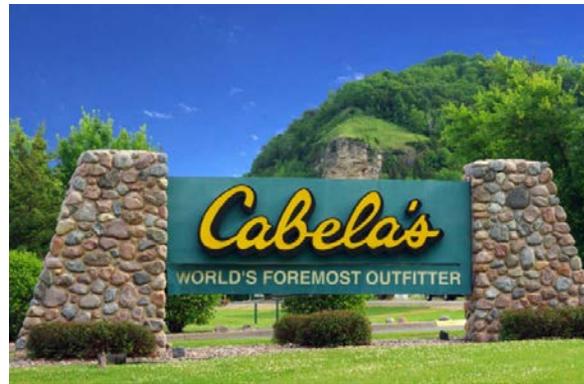
History of Tax Incremental Financing

- TIF = Tax Increment Financing
- TID = Tax Increment District
- First Authorized in 1975, Wis. 66.1105
- TIF Law has been amended many times over the years

What is TIF?

A municipal financing tool to accomplish specific **community development objectives**:

- promote industrial development
- promote mixed-use development
- eliminate blighted areas
- rehabilitate deteriorating areas



What is TIF?

Public / Private Partnership

- Partnership of taxing entities to promote development
- Public and private sectors work together to stimulate economic growth

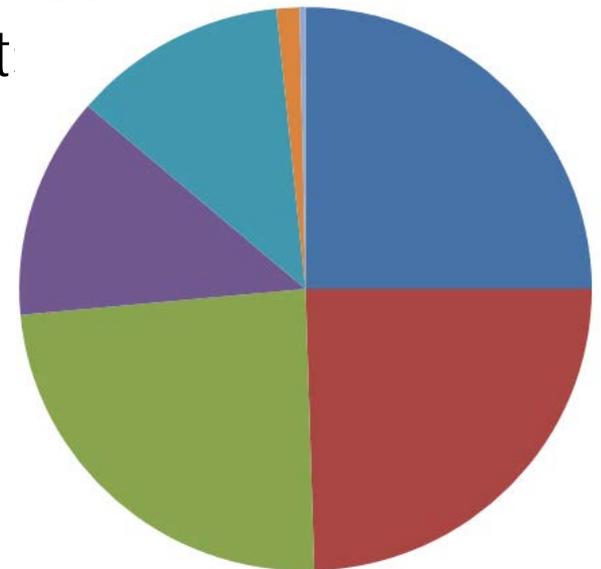
Why TIF Was Created

- Federal funding decreased for community development programs
- Allows cities & villages to work with private sector to stimulate economic growth
- Eliminated inequitable situation that discouraged development
 - * **Cities & villages bore the cost of development, but all taxing entities shared the benefit.**

Summary of Districts in Wisconsin

Currently 1,238 active TIDs in Wisconsin in 425 communities (June 1, 2017)

- **307** Mixed-use districts
- **301** Industrial districts
- **295** Blight elimination districts
- **156** Created before 1995 (no district type)
- **149** Rehab and conservation district
- **16** Environmental remediation
- **4** Town districts
- 86 Distressed districts
- 18 Severely distressed district

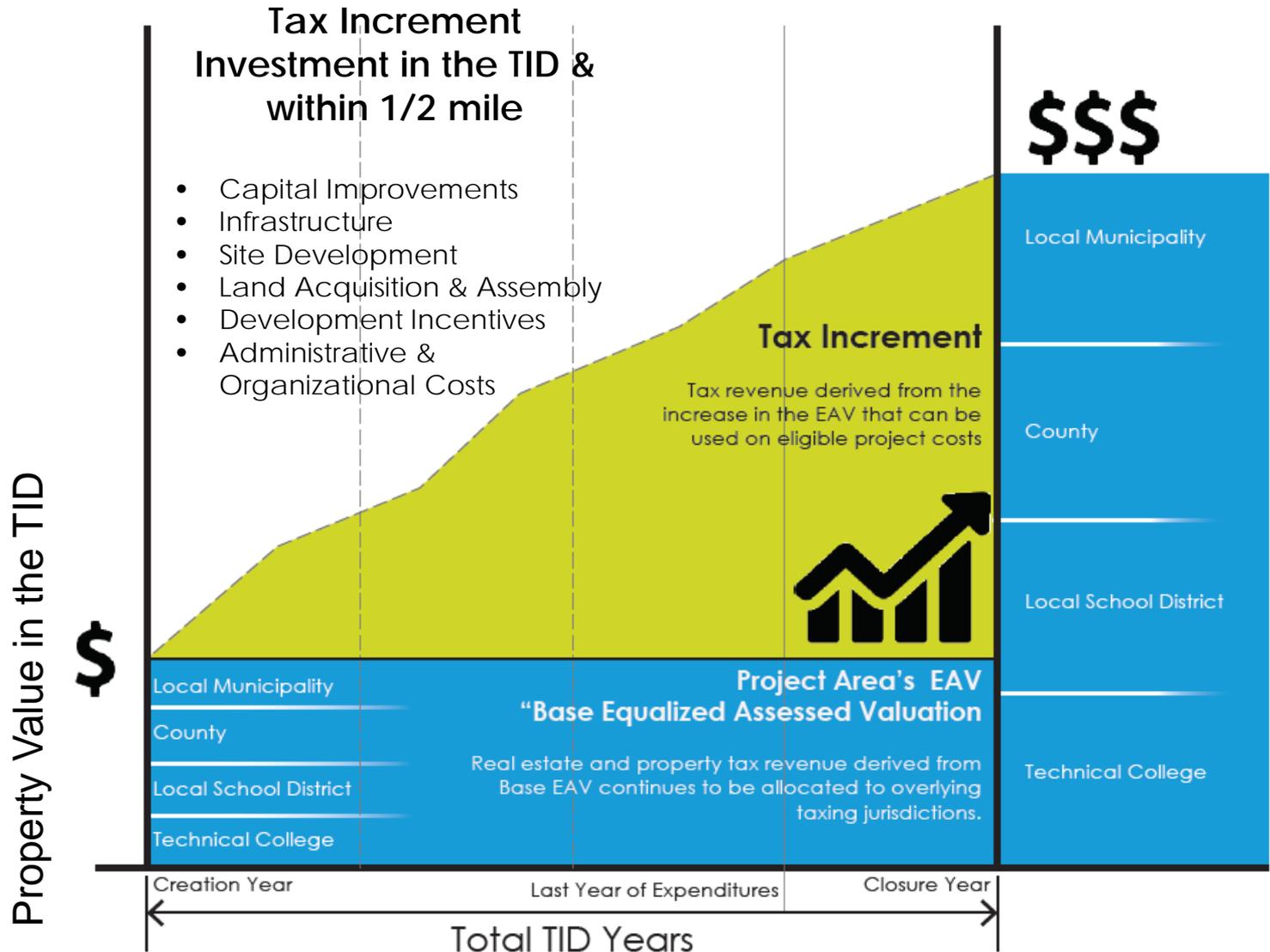


TIF Basics

Important TIF Definitions

- **Base Value:** The equalized value of real and personal property in a TID when created.
- **Property Value Increment:** The difference between the base value and the current value.
- **Tax Increment:** Taxes levied by the overlying taxing jurisdictions on the value between the base value and the current value in the TID.

TIF Basics - Structure



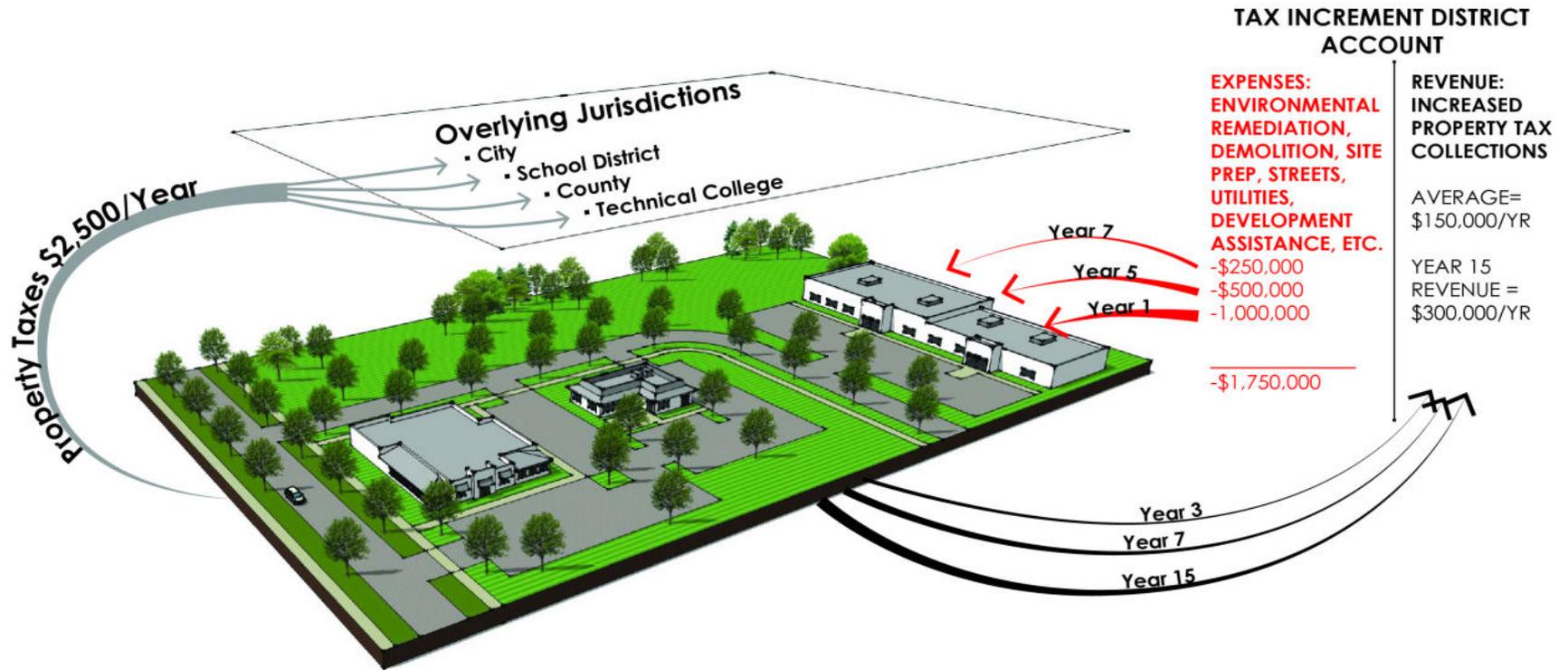
TIF Basics

I. UNDERUTILIZED PROPERTY



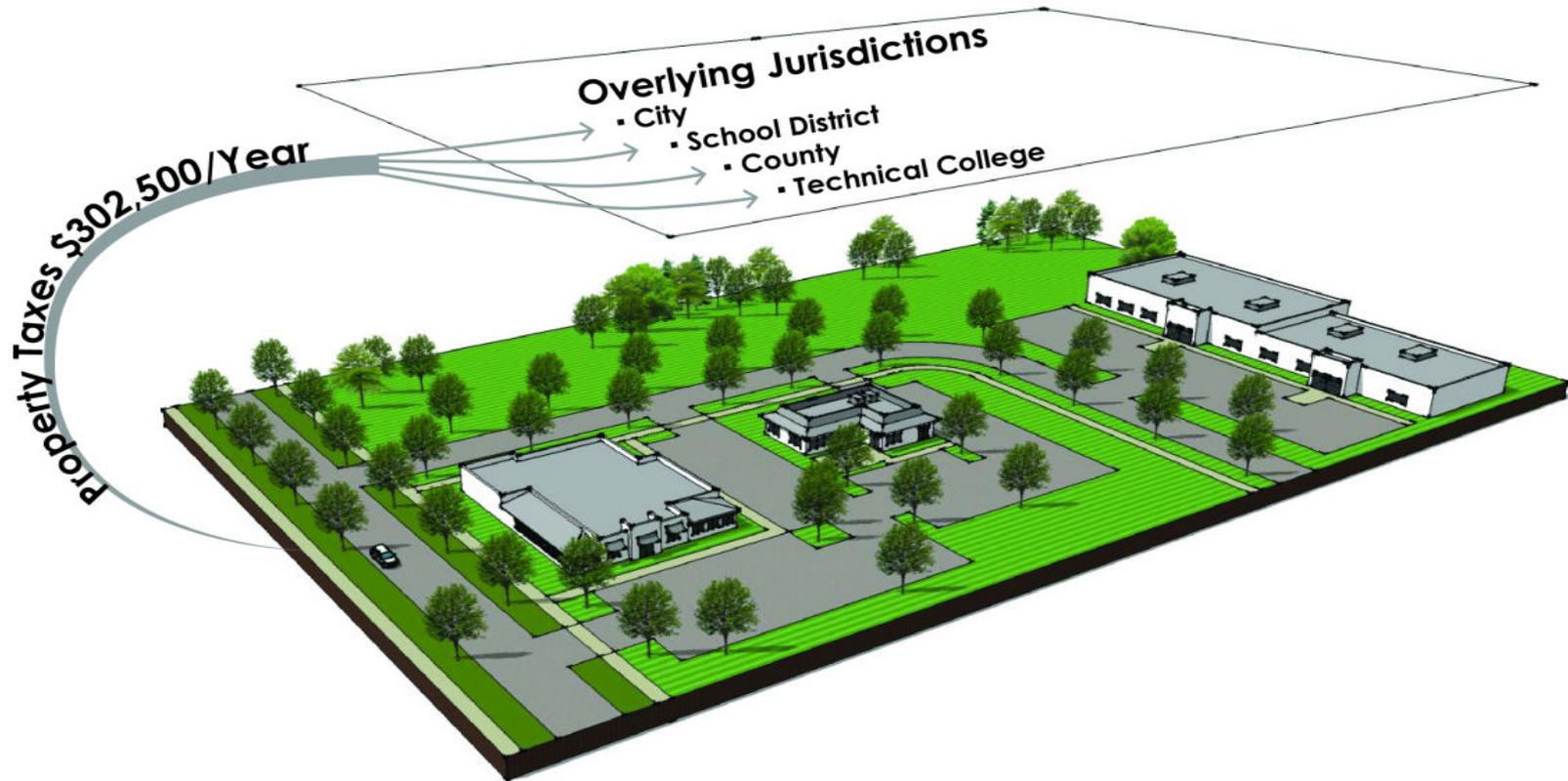
TIF Basics

II. INFRASTRUCTURE & IMPROVEMENTS



TIF Basics

III. TAX INCREMENT DISTRICT DISSOLVES





TIF as Part of Greater Economic Development Efforts



Performance Measuring – IEDC's 2013-2014 Survey

- Over 30 percent of Economic Development Organization (EDOs) do not measure performance regularly
- Over 50 percent of local (municipal-level) EDOs do not track performance.
- Approximately 20 to 30 percent of county and regional EDOs do not track performance.
- Non-trackers are more prevalent among smaller communities.



Performance Measuring – IEDC's 2013-2014 Survey

- The existence of an organizational strategic plan is a key determining factor in whether an organization measures performance.
 - Over 80 percent of organizations that track performance have a strategic plan.
 - Almost 70 percent of these plans include guidelines for measuring performance.
 - A strategic plan provides the framework for overall performance measurement and sometimes even specifies certain metrics to be used.



Performance Measuring – IEDC's 2013-2014 Survey

- Largest trouble in metrics? - measuring Jobs
 - Jobs created vs Jobs shifted
 - Ramp up time can impact ROI payback
 - Relies on a companies willingness to release salary and job numbers (for companies not under an agreement)
 - Ambiguous estimate vs actual creation



Traditional Economic Development Results

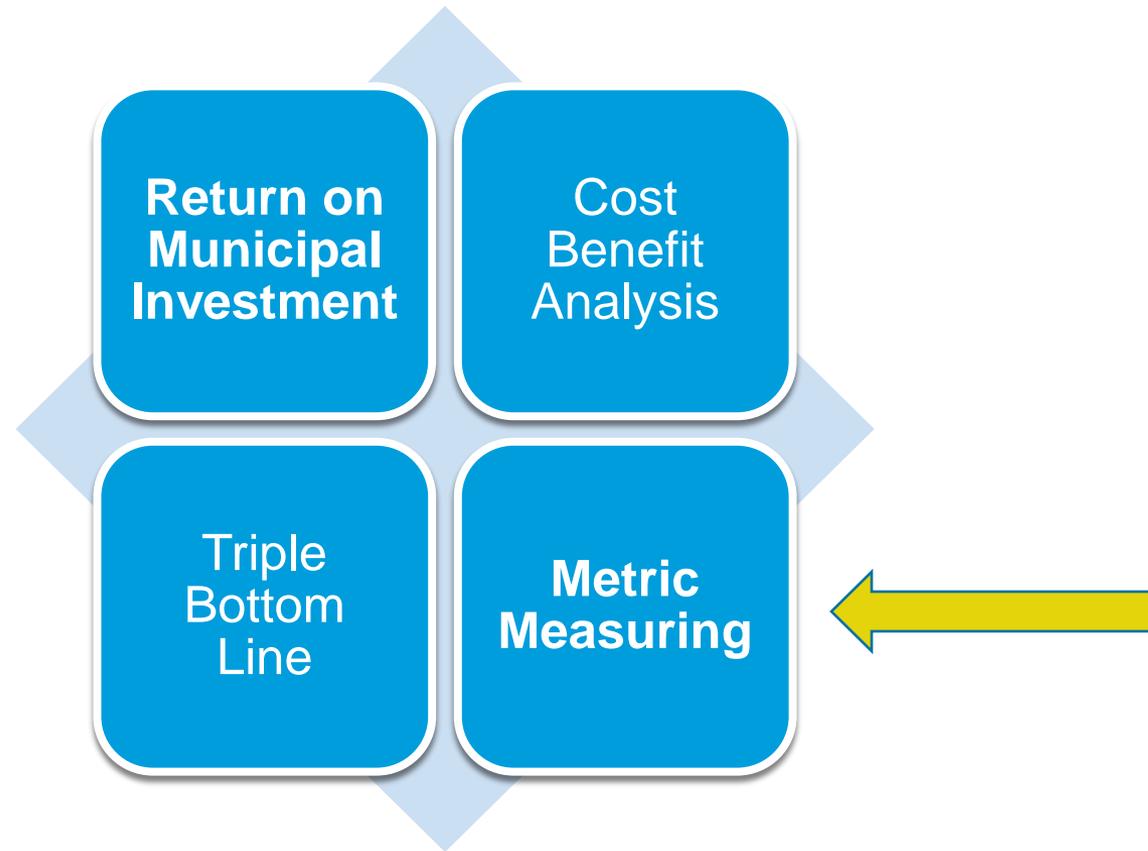
- Economic development is different in every community, but municipal economic development efforts should result in any combination of:
 - Tax base growth
 - Additional community jobs or income
 - Increased aesthetic appeal
 - Business retention in the community
 - Business growth in a community
 - Community self-sufficiency
 - Productive use of land and resources

**The end result should always
be a better quality of life**



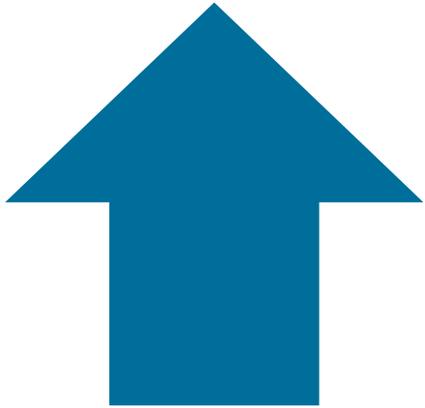
How to study a project based on the benefits to the a communities greater economic development?

Economic Analysis Methods



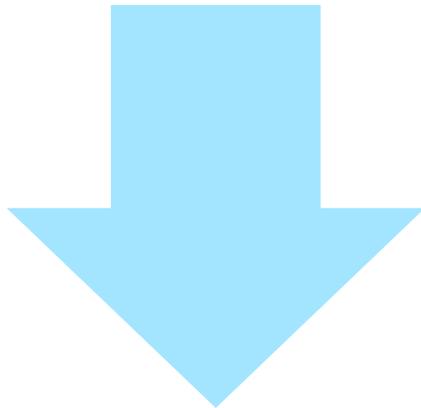
Choose the correct analysis for your needs

Return on Municipal Investment (ROI)



Advantage

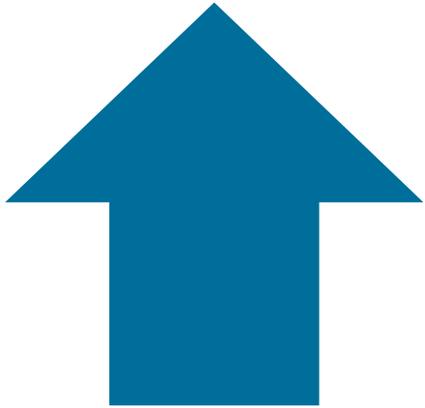
ROI may be appropriate for an investment in a property **where a financial return is expected**. It is clear and measurable approach that is easy to sell to community leaders.



Disadvantage

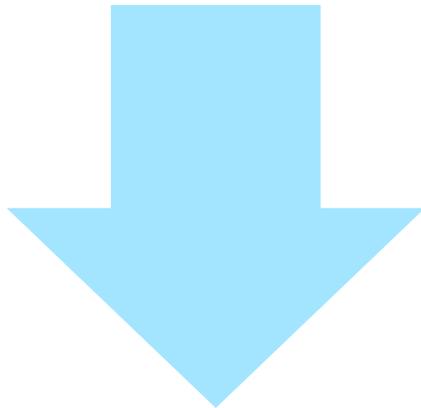
Don't be too narrow – economic development programs typically are not expected to always provide **a direct financial return to the local government**. Most communities expect their economic development programs to have an impact on economic conditions – not provide a directly measurable qualitative fiscal return.

Cost Benefit Analysis



Advantage

Allows a community to place weights to different categories of benefits. More complex than a simple ROI, but allows a community to weight priorities when making ED decisions.

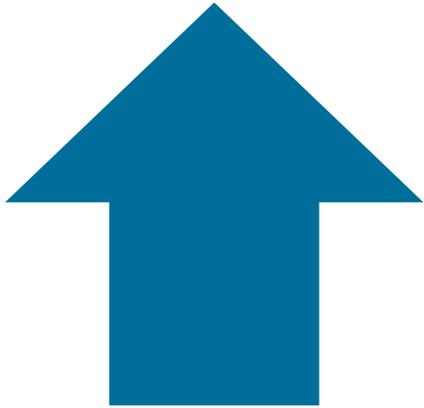


Disadvantage

“With greater flexibility comes greater complexity”
There is a larger probability that a community could assume or apply multipliers inappropriately resulting in an overstating of anticipated community benefits and anticipated ripple effects.

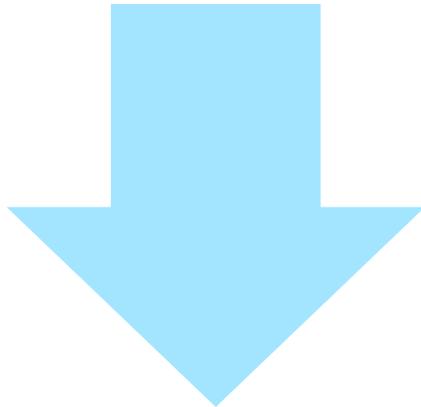
Triple Bottom Line

(old adage – different approach)



Advantage

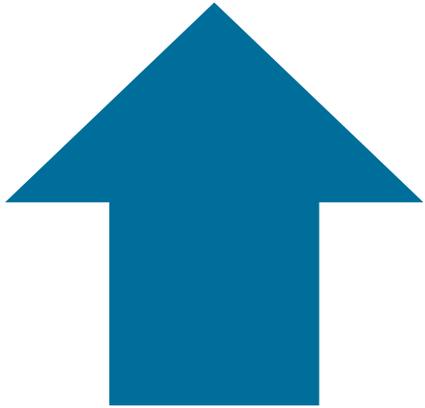
Allows a community to review each opportunity as part of a larger community context. Not every project must reach the triple bottom line, but contribute to the goal of increasing the vibrancy of a community.



Disadvantage

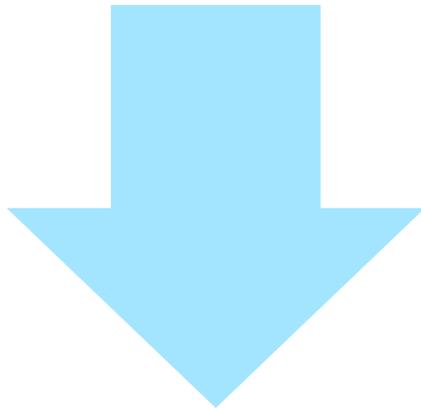
Contingent on many projects to ensure there is a balance of **People, Planet, Profit**. Too many projects of one of one type makes the holistic approach to economic development out of balance.

Metric Measuring



Advantage

Allows a community to review each opportunity as part of ongoing and evolving strategic measuring plan. The strategic plan gives the local community a guide that can withstand scrutiny and staff turnover.



Disadvantage

Data collection is key to a successful program. Lack of accurate and timely data makes measuring **burdensome**. Limited resources and staff in smaller communities also makes metric measuring difficult. Therefore, communities must start small.

Metric Measuring - Plan of Action

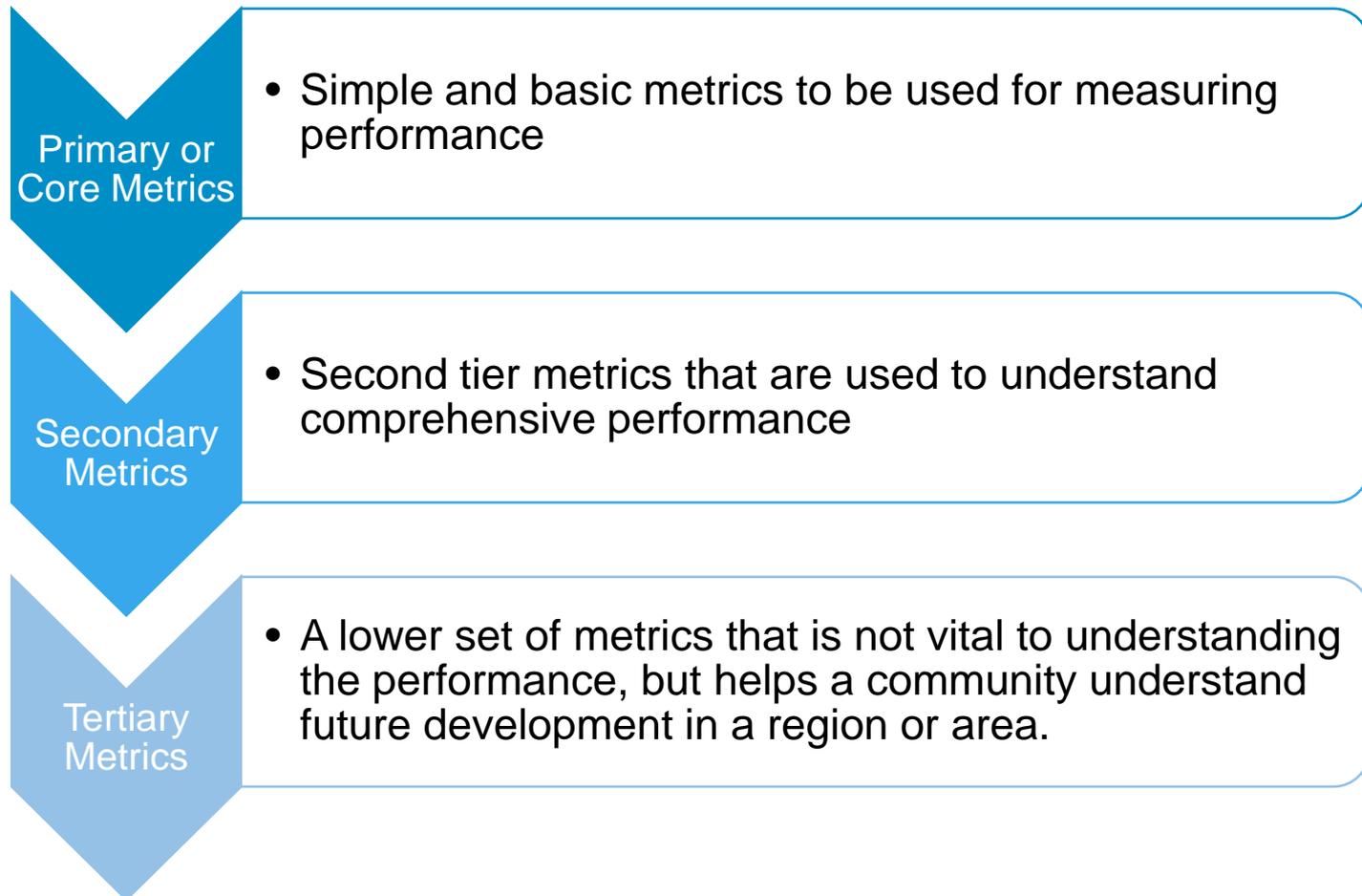
- Establish a strategic economic development plan
 - Review past work
 - Identify community goals and strategies
 - Identify community champions to lead individual efforts
 - Conduct a simple economic overview and analysis
 - Collect public input
 - Conduct SWOT (or similar) analysis
 - Conduct regional industry analysis
 - Create action plan and performance metric measures

Metric Measuring - Plan of Action

- Start small and understand the staff and resource limitations
 - You don't need to spend \$\$\$\$ to create a fancy document.
- Establish the topic or topics that best fit the community goals.
(Examples)
 - Business Retention
 - Business Attraction
 - Business Creation
 - Real Estate Development
 - Sustainable Development & Green Jobs
 - Quality of Life
 - Tourism
 - Housing

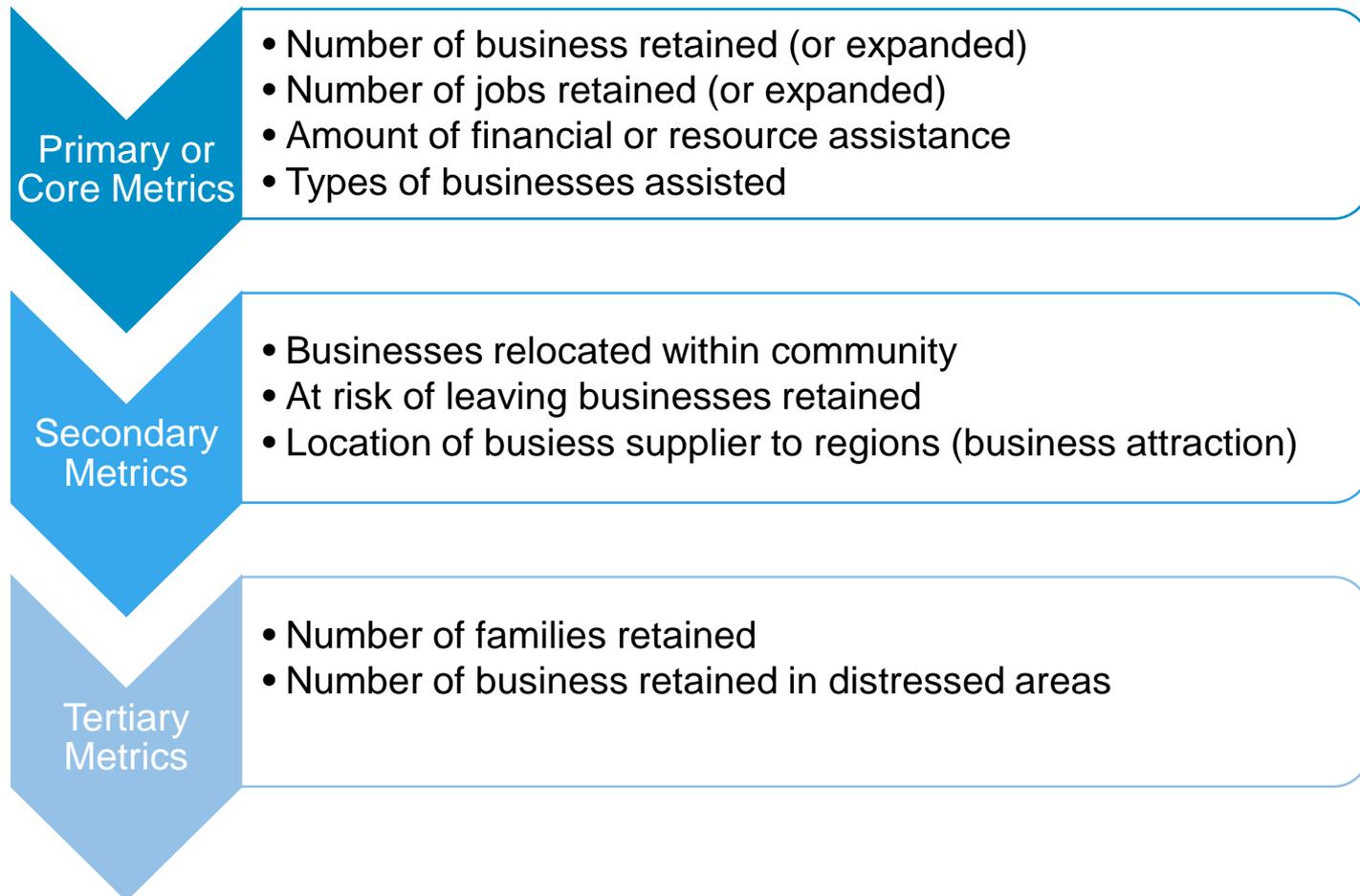
Plan of Action

- **Development of metrics**



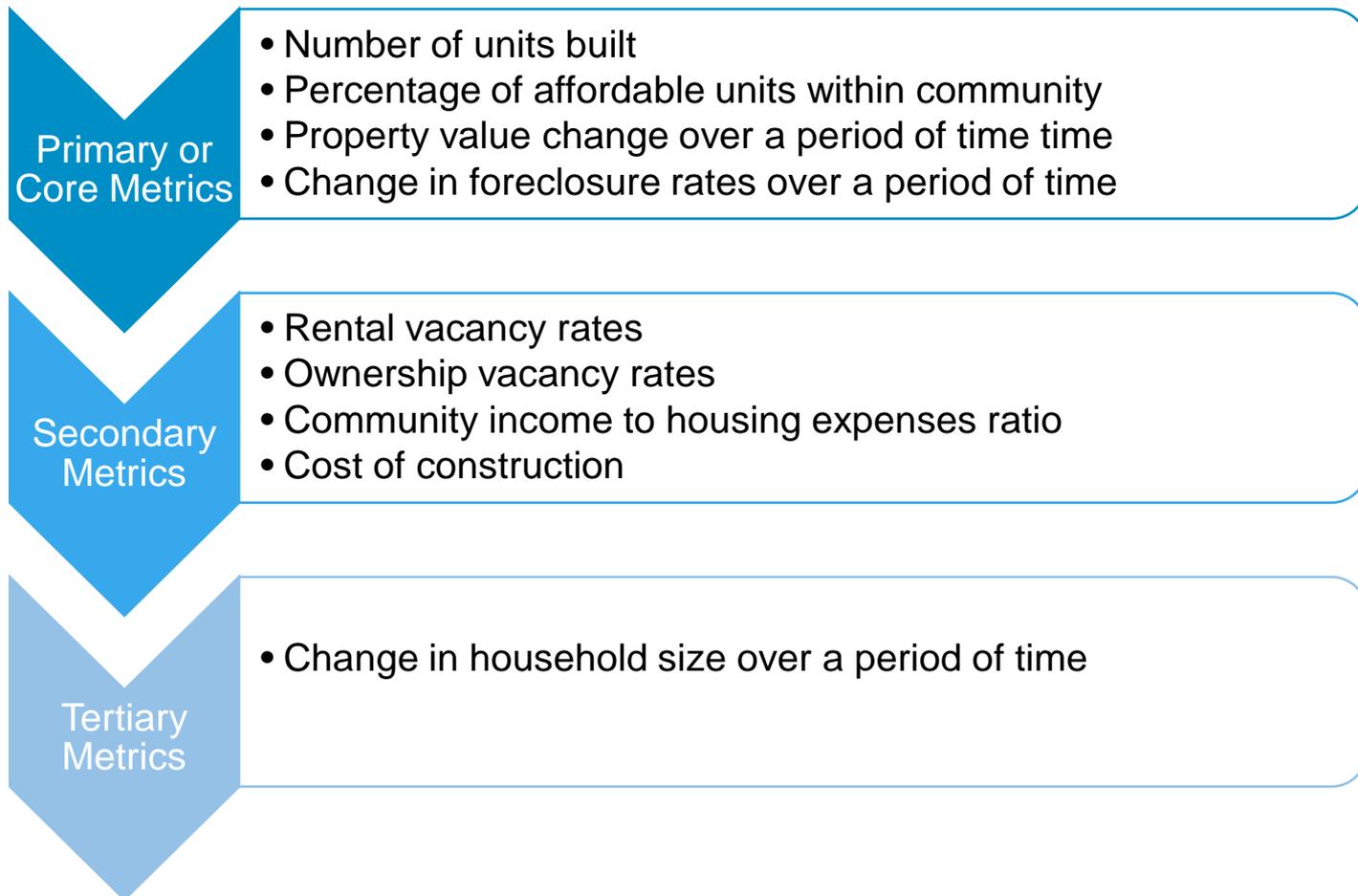
Plan of Action

- **Example:** Business Retention & Expansion



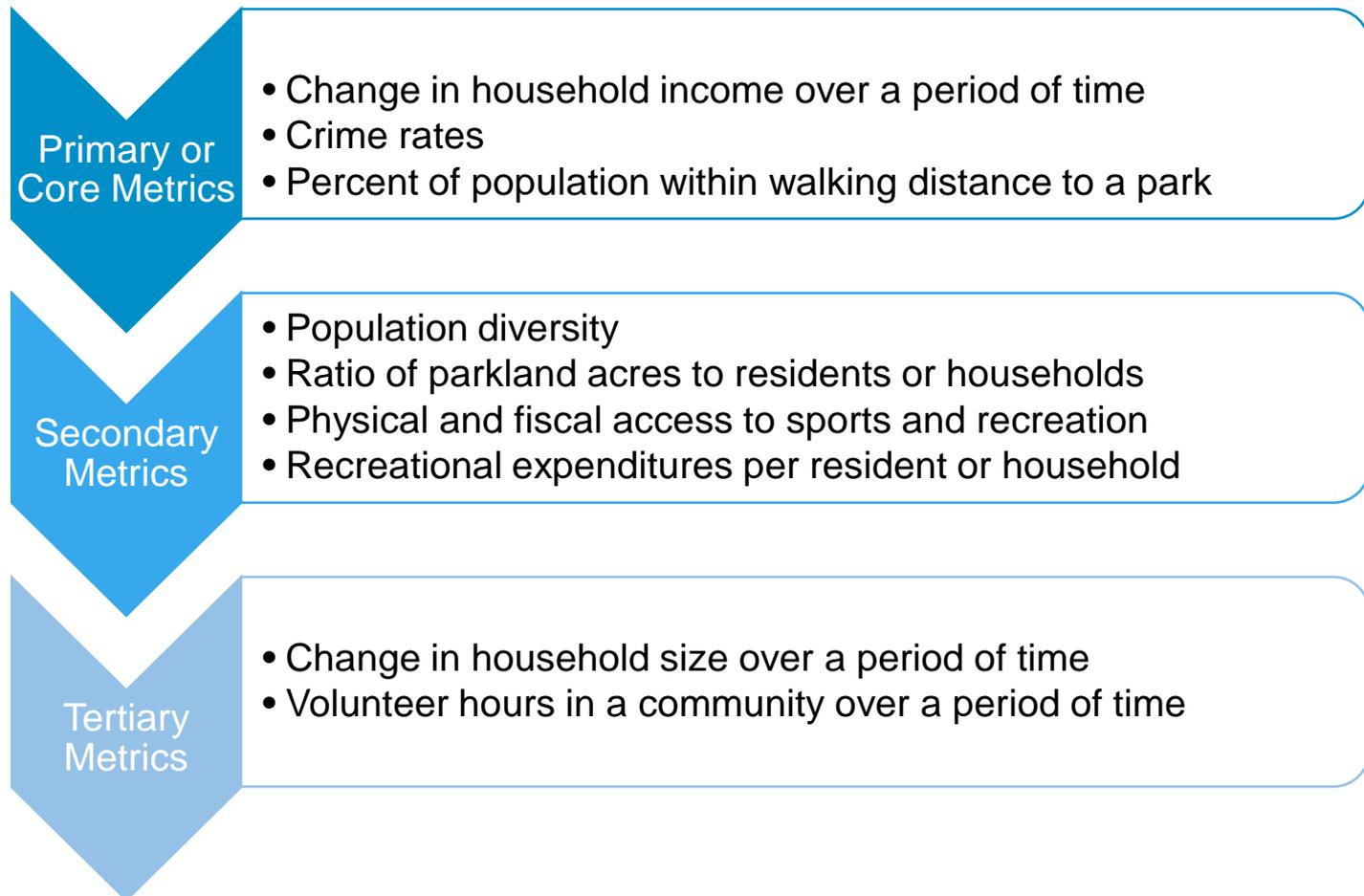
Plan of Action

- **Example: Housing**



Plan of Action

- **Example:** Quality of Life





Assistance Packages:

“But For” and Required Findings



Required Findings and Tests

- Does it meet a Community Metric?
- Does it conform to the Municipality's Guiding Plans
- "But For" analysis
 - Gap in Financing/Extraordinary Costs
 - Without assistance, development in the TIF or Business District is not possible.
 - This same analysis applies to specific development proposals
- Determine the best deal structure



Primary TIF Deal Structures

1. Pay-As-You-Go
 - a) Annual reimbursement from incremental revenues starting at project completion
 - b) Could be teamed with a sales tax sharing agreement

2. Up-Front Payment or Reimbursement "Cash Grant"
 - a) One-time, lump sum payment to Developer from existing funds in TIF Allocation Fund



Primary TIF Deal Structures (con't)

3. Monetizing Future TIF Revenues from Project Increment
 - a) TIF Note issued to Developer, incentivizing them to put more equity into project up-front
 - b) Revenue Bonds issued based on future flow of TIF revenues
 - c) Note pledged to lender, serving as additional security and allowing more debt to be secured

4. Bonds Backed with Revenue Commitments
 - a) District-wide Bonds using existing TIF cash flow (later TID years)
 - b) General obligation – full faith & credit
 - c) Sales tax or other municipal taxes





Evaluation of TIF Assistance Request

1. Pre-Application Questions/Meeting

- “But For” - is public financial assistance necessary to make the project feasible?
- If so, what form of public assistance is appropriate and how much is too much?
 - I.e. What is the reasonable rate of return for a developer?

2. Conduct a Pro Forma Analysis

- Municipal Review of project's financial strength and review Developer's estimates of:
 - Hard Costs (Land/Construction)
 - Soft Costs
 - Construction Financing
 - Long Term Financing and Debt
- 10 Year Cash Flow Projection with Sale in Year 10.
- Evaluate multiple benchmarks such as Cash-on-Cash Annual Return and Internal Rate of Return (IRR) to quantify assistance required and recommend limits.
- Review Developer's experience with similar projects, markets, and financial capacity to successfully deliver the project.

3. Conduct Gap Analysis & Identify Eligible Costs

- Municipality and Developer agree to a benchmark for the project (example targeted benchmark IRR of 15%).
 - If $IRR > 15\%$ then no assistance required
 - If $IRR < 15\%$ then assistance required, quantify the gap in the proforma analysis

4: Identify Revenue Source(s) for Assistance

- Prepare incremental property tax projections.

Updated 10/19/2011

Principal:	\$2,490,000	Project Cost:	\$2,100,000	"Excess Tax Increment"	\$5,502,064
Interest Rate:	5.00%	Finance Fees:	\$0	Total Scheduled Payment	\$4,567,555
Term (Years):	27	Interest Earned:	\$0	Additional Calculated Principal Shortfall Interest	\$650
# of Principal Payments:	26	Capitalized Interest:	\$0	Total Anticipated Payments	\$4,425,648
Date of Issue:	8/14/2016	Total TID Cost of Loan:	\$4,425,648		

Year	Standard Amortization Schedule						Impact on the Projected Increment Impact						Unpaid Principal Payment Impacts				Unpaid Interest Payment Impacts			Total Anticipated Annual Payments	Year	
	Principal Payment #	Unpaid Principal	Principal Payment	Interest Payment	Total Scheduled Payment	Total Projected Increment	Village Expenses	"Excess Tax Increment"	Payment Difference	Annual Principal Shortfall	Annual Interest Shortfall	Beginning Unpaid Principal Shortfall Make up Payment	Calculated Principal Shortfall Interest	Unpaid Principal Shortfall Make up Payment	Remaining/Cumulative Principal Shortfall Balance	Beginning Unpaid Interest Shortfall Make up Payment	Unpaid Interest Shortfall Make up Payment	Remaining/Cumulative Interest Shortfall Balance				
2016	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	2016
2017	0	\$2,490,000	\$0	\$26,264	\$26,264	\$0	\$0	\$0	(\$26,264)	\$0	\$26,264	\$0	\$0	\$0	\$0	\$0	\$26,264	\$0	\$26,264	\$0	\$0	2017
2018	0	\$2,490,000	\$0	\$124,500	\$124,500	\$79,486	\$0	\$79,486	(\$45,014)	\$0	\$45,014	\$0	\$0	\$0	\$0	\$71,278	\$0	\$71,278	\$79,486	\$0	\$0	2018
2019	1	\$2,490,000	\$52,172	\$124,500	\$176,672	\$207,665	\$10,000	\$187,665	\$10,994	\$0	\$0	\$0	\$0	\$0	\$0	\$71,278	(\$71,278)	\$0	\$105,393	\$0	\$0	2019
2020	2	\$2,437,828	\$54,780	\$121,891	\$176,672	\$210,585	\$10,000	\$190,585	\$13,913	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2020
2021	3	\$2,383,048	\$57,519	\$119,152	\$176,672	\$213,534	\$10,000	\$193,534	\$16,862	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2021
2022	4	\$2,325,529	\$60,395	\$116,276	\$176,672	\$216,512	\$10,000	\$196,512	\$19,841	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2022
2023	5	\$2,265,134	\$63,415	\$113,257	\$176,672	\$219,521	\$10,000	\$199,521	\$22,849	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2023
2024	6	\$2,201,719	\$66,586	\$110,086	\$176,672	\$222,559	\$10,000	\$202,559	\$25,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2024
2025	7	\$2,135,133	\$69,915	\$106,757	\$176,672	\$225,628	\$10,000	\$205,628	\$28,956	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2025
2026	8	\$2,065,218	\$73,411	\$103,261	\$176,672	\$228,727	\$10,000	\$208,727	\$32,056	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2026
2027	9	\$1,991,808	\$77,081	\$99,590	\$176,672	\$231,858	\$10,000	\$211,858	\$35,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2027
2028	10	\$1,914,726	\$80,935	\$95,736	\$176,672	\$235,019	\$10,000	\$215,019	\$38,348	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2028
2029	11	\$1,833,791	\$84,982	\$91,890	\$176,672	\$238,213	\$10,000	\$218,213	\$41,541	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2029
2030	12	\$1,748,809	\$89,231	\$87,440	\$176,672	\$241,438	\$10,000	\$221,438	\$44,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2030
2031	13	\$1,659,578	\$93,683	\$82,979	\$176,672	\$244,696	\$10,000	\$224,696	\$48,024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2031
2032	14	\$1,565,885	\$98,377	\$78,294	\$176,672	\$247,986	\$10,000	\$227,986	\$51,314	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2032
2033	15	\$1,467,508	\$103,296	\$73,375	\$176,672	\$251,309	\$10,000	\$231,309	\$54,637	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2033
2034	16	\$1,364,211	\$108,461	\$68,211	\$176,672	\$254,665	\$14,800	\$225,065	\$48,393	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2034
2035	17	\$1,255,750	\$113,884	\$62,788	\$176,672	\$258,055	\$14,800	\$228,455	\$51,783	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2035
2036	18	\$1,141,866	\$119,578	\$57,093	\$176,672	\$261,478	\$14,800	\$231,878	\$55,207	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2036
2037	19	\$1,022,288	\$125,557	\$51,114	\$176,672	\$264,936	\$14,800	\$235,336	\$58,665	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2037
2038	20	\$896,731	\$131,835	\$44,837	\$176,672	\$268,429	\$7,400	\$118,829	(\$57,843)	(\$13,006)	(\$44,837)	\$0	\$0	(\$13,006)	\$13,006	(\$44,837)	\$0	(\$44,837)	\$118,829	\$0	\$0	2038
2039	21	\$764,896	\$138,427	\$38,245	\$176,672	\$271,956	\$14,800	\$242,356	\$65,685	\$0	\$0	\$13,006	\$650	\$13,657	\$0	(\$44,837)	\$44,837	\$0	\$235,165	\$0	\$0	2039
2040	22	\$626,469	\$145,348	\$31,323	\$176,672	\$275,519	\$14,800	\$245,919	\$69,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2040
2041	23	\$481,121	\$152,616	\$24,056	\$176,672	\$279,117	\$14,800	\$249,517	\$72,846	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2041
2042	24	\$328,505	\$160,246	\$16,425	\$176,672	\$282,752	\$14,800	\$253,152	\$76,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2042
2043	25	\$168,259	\$168,259	\$8,413	\$176,672	\$286,422	\$14,800	\$256,822	\$80,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$176,672	\$0	\$0	2043
Total			\$2,490,000	\$2,077,555	\$4,567,555	\$6,218,064	\$358,000	\$5,502,064	\$627,944	\$0			\$650								\$4,425,648	

Notes:
 - Scheduled payment dates are November 1st of each year.
 - Village shall have the right to prepay all or a portion of the outstanding principal balance of this Obligation at any time, at par and without penalty.
 - Payments shall be first applied to principal payments. Remaining unpaid principal balance shall be subject to 5% interest as described in the MRO.
 - The Village shall not be subject to additional interest payments on any unpaid interest. The Village shall pay the balance of unpaid interest when surplus increment becomes available.

Can be made up with TID surplus to not incur a negative annual balance

Payment Hierarchy		
2016-2019	2019 - 2033	2033 - Closure
Developer (P&I)	Village Admin (\$10,000)	Village Admin (\$14,800)
Developer Make Up Payments	Developer (P&I)	Developer (P&I)
Village Make Up Payments	Developer Make Up Payments	Developer Make Up Payments
	Village Make Up Payments	Village Make Up Payments

5: Prepare Term Sheet

- Simple document that outlines basic terms to be incorporated into the Development Agreement.
- Typically includes:
 - Brief project description
 - Project Timeline
 - Summary of amount, structure, and timing of assistance requested
 - Why assistance is needed
 - Summary of TIF/BD eligible costs
 - Public benefits including jobs, public revenues
 - Conformance with underlying plans

Municipal Incentive Guide

Cash or Cash Equivalent

- Cash
- Land grants
- Infrastructure development
- Other TIF financing

Revenue Impact

- Tax abatement/exemptions
- Tax rebates (sales, property)
- Tax refunds
- Bonds

Others

- RLF
- Improvement grants/loans
- Green/Sustainable
- (non-fiscal) fast track permitting
- Loan guarantees
- Workforce training

Rule #1: Incentives should only be used when there is a measureable net benefit to the community and exceed public costs.

Each community must decide what are the benefits to their community

6: Development Agreement (DA)

- Creates the terms of the entire execution of the project.
- Include section that describes the pro forma review that took place to arrive at the level of assistance.
 - Target IRR
 - Direct payment of eligible costs or TIF Note with payments based on incremental taxes.
- This analysis is based on the project *assumptions*.
- Include the analysis as an exhibit to the agreement.

7: Incorporate a “Look Back” Provisions (IF NECESSARY)

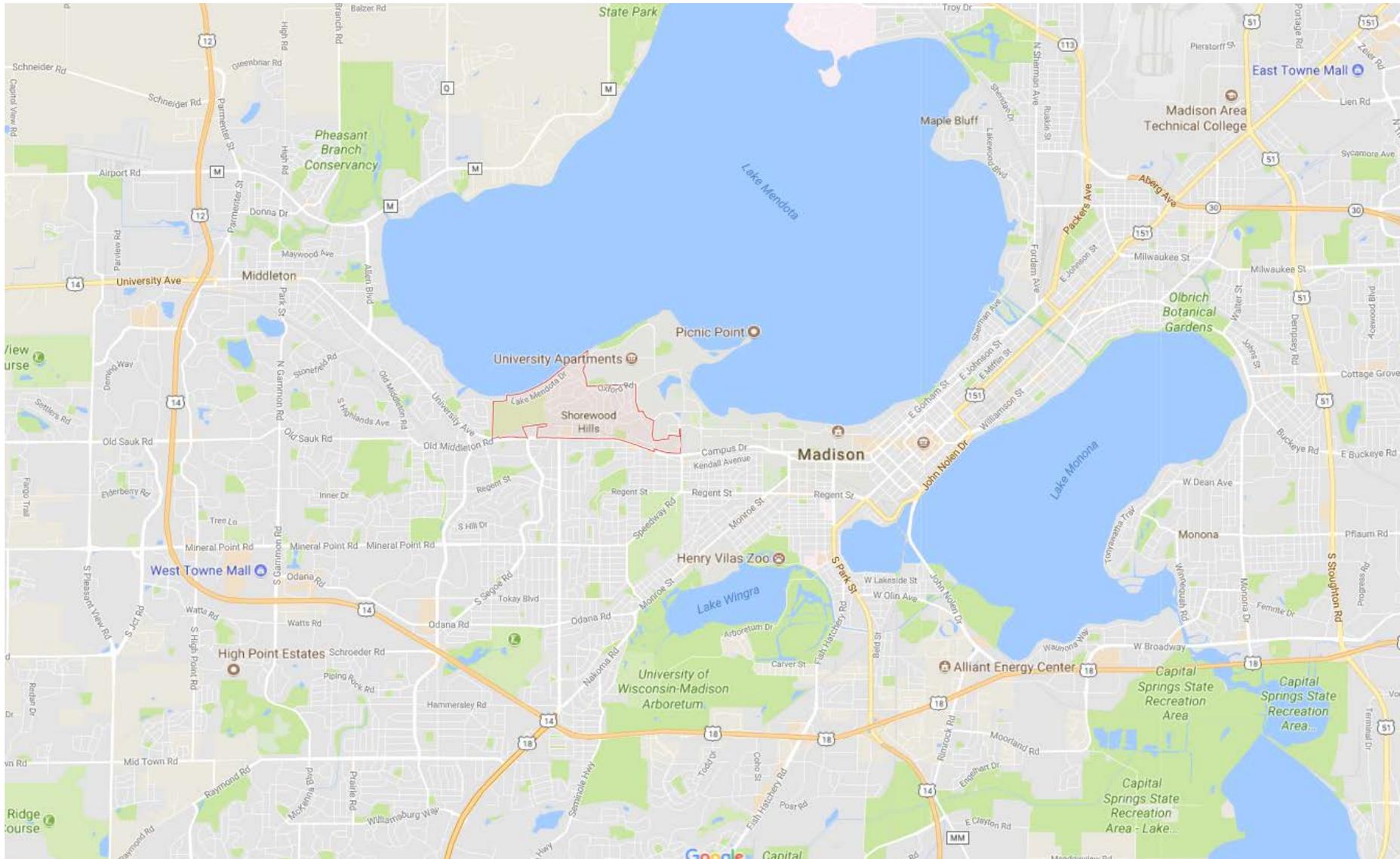
- Purpose is to review the Developer’s pro forma with actual information following project completion and stabilization (“2nd IRR Review” – 5, 10, 15 year look back).
- Define in DA when the project is deemed complete.
- If in the DA, Municipality has right to request documents related to the development deemed necessary to complete the 2nd IRR Review.



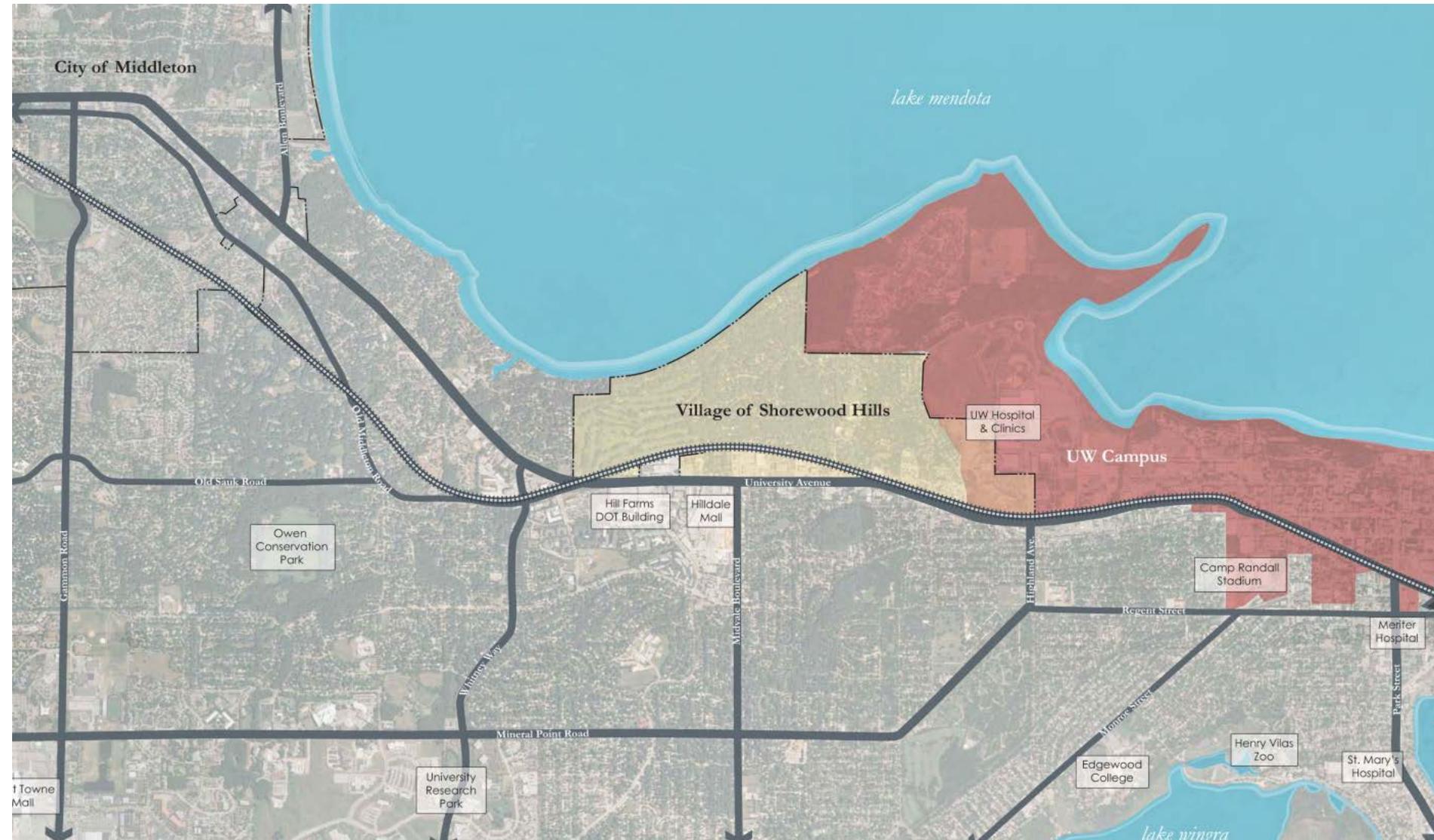
Case Study

Village of Shorewood Hills

Village Location



Village Location

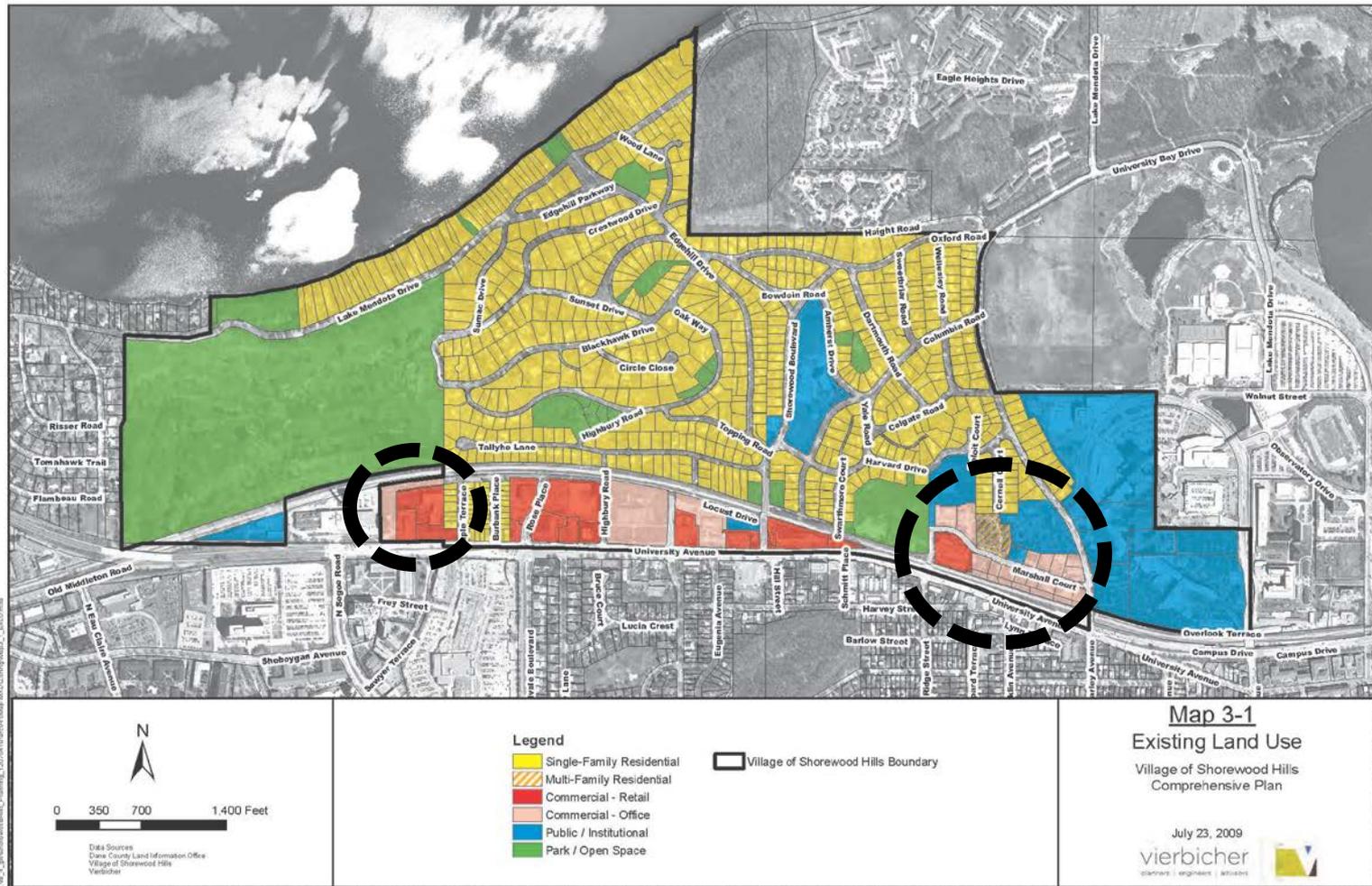


Village Goals for Redevelopment

- Increase the housing cycle opportunity for residents in the Village (rental to ownership and ownership to rental).
- Increase housing diversity in the community.
- Increase affordable housing in the community (1, 2, and 3 bedrooms).
- Complete missing links in the pedestrian and bicycle network.

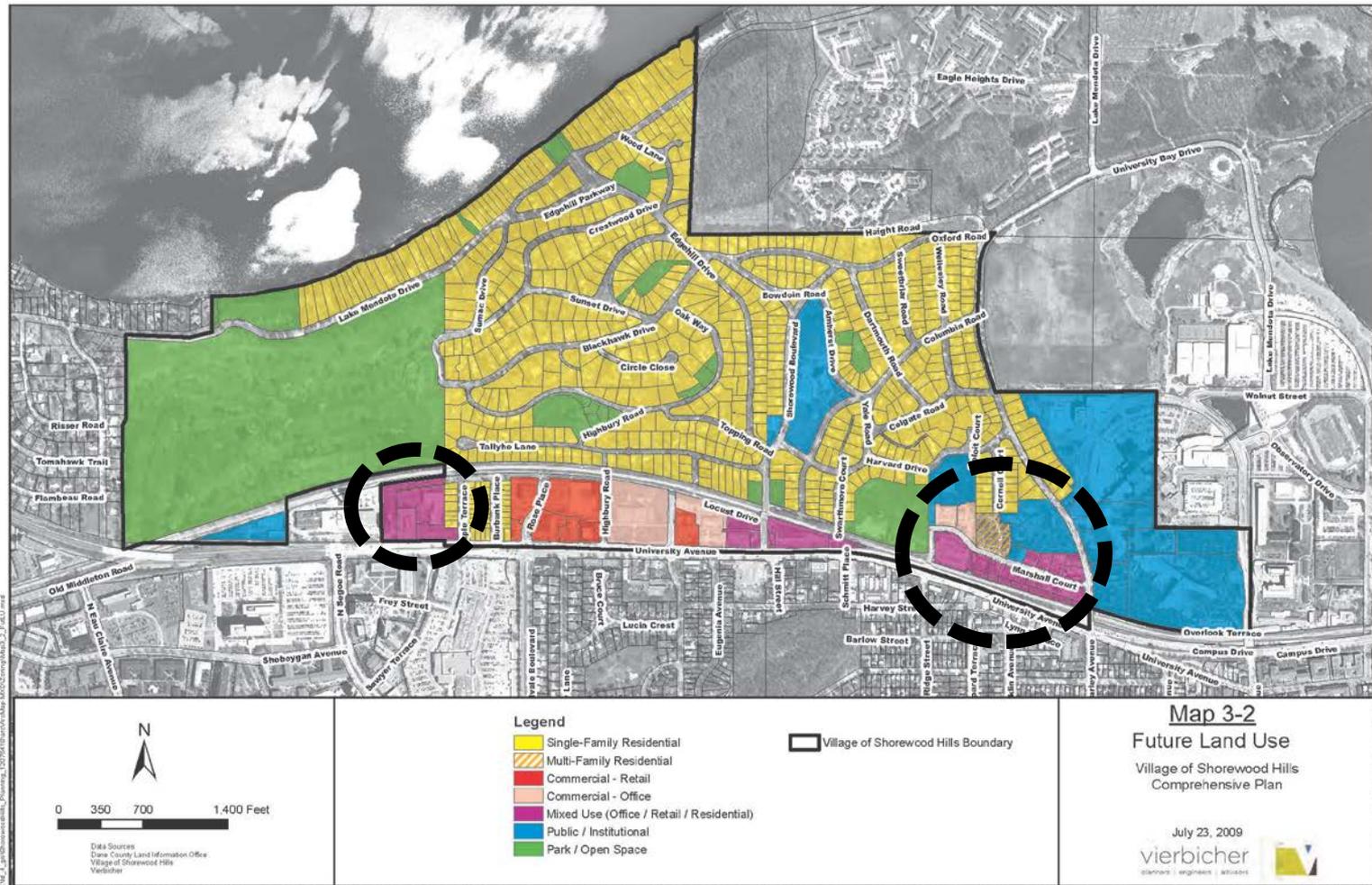
More Project Considerations

- 2008 – Existing Land Use



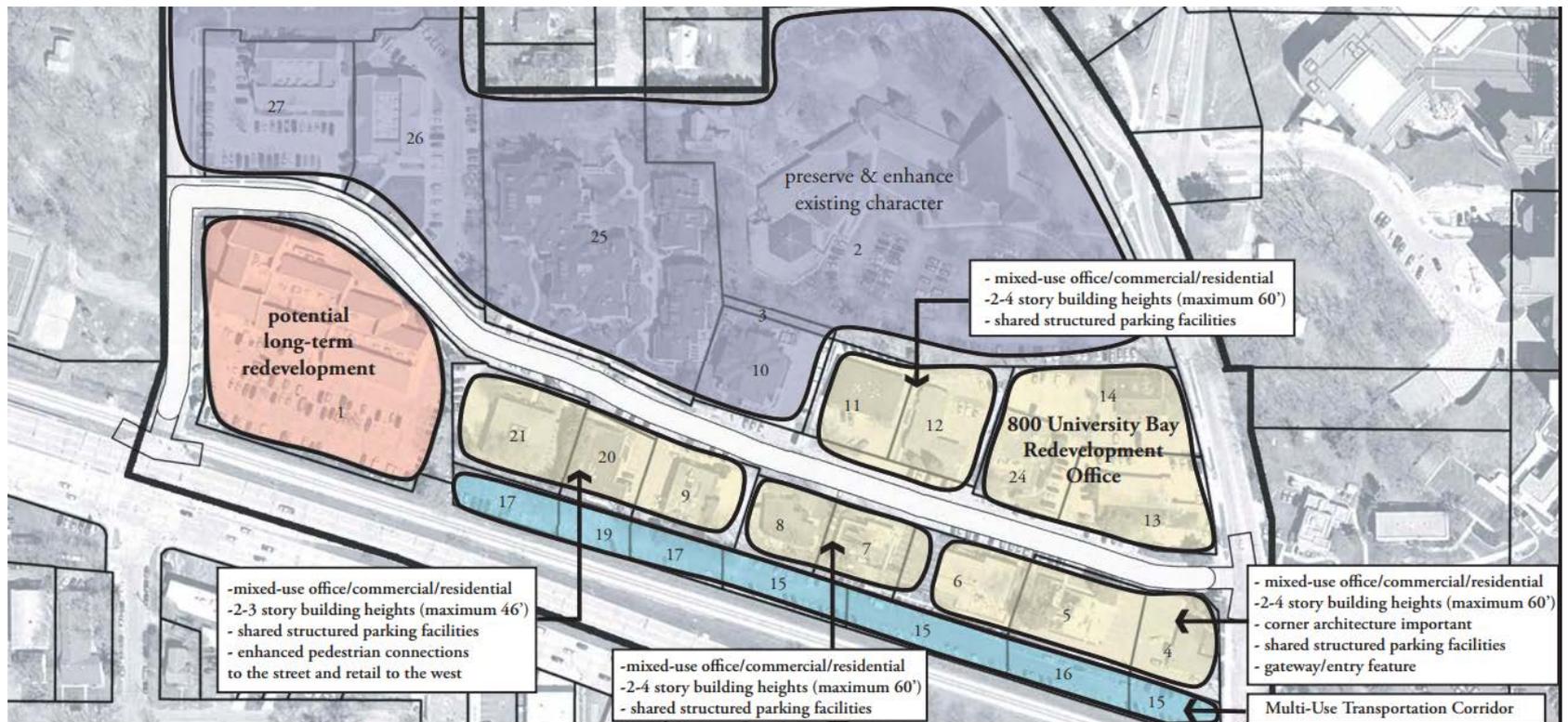
More Project Considerations

- 2008 – Comprehensive Plans Future Land Use



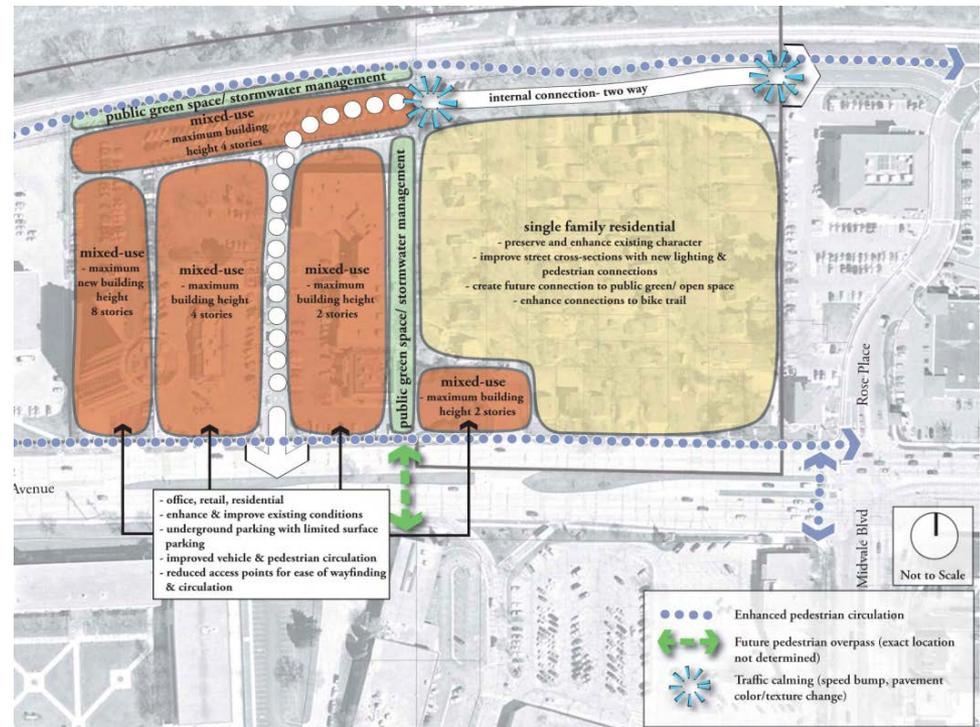
Case Study – Village of Shorewood Hills

- Public Workshops
- 2008-2010 Tax Incremental Districts and Area Master Plans



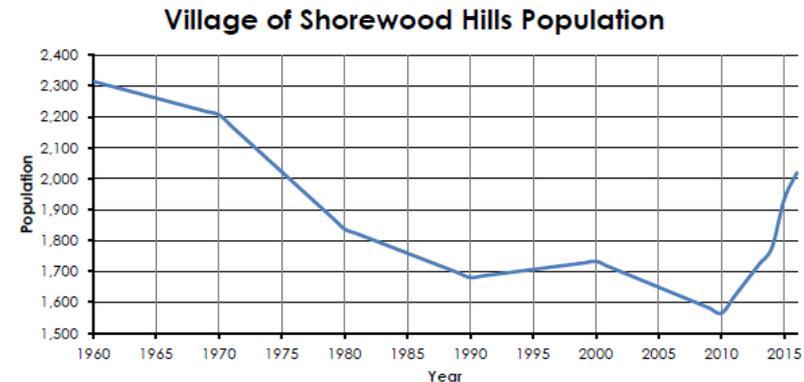
Case Study – Village of Shorewood Hills

- Public Workshops
- 2008-2010 Tax Incremental Districts and Area Master Plans



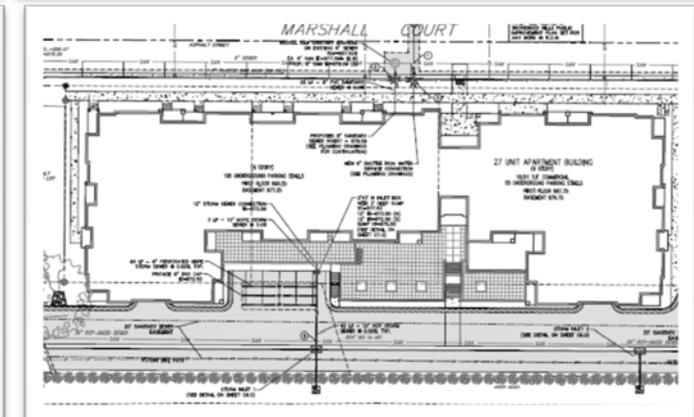
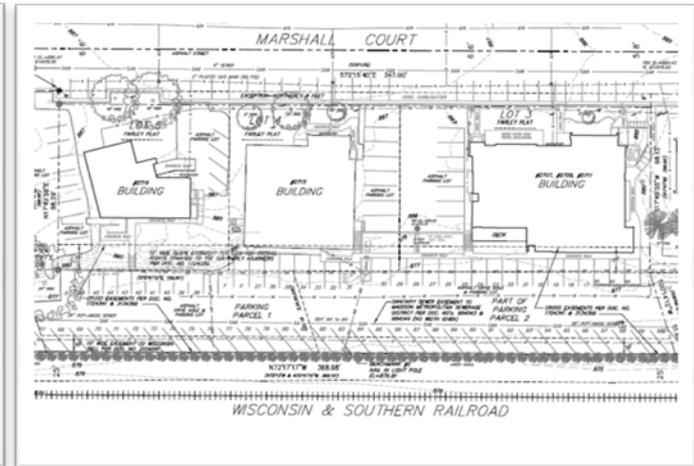
Case Study – Village of Shorewood Hills

- 2012 Working with HUD to understand the housing make up of the community.
- Village created a plan to increase affordable housing in the community when WHEDA and other program assistance was not available.
- 2014 Award from HUD for furthering fair housing in the community.



Case Study – Village of Shorewood Hills

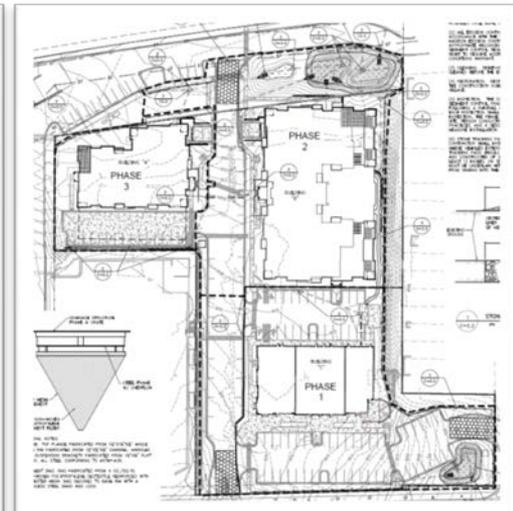
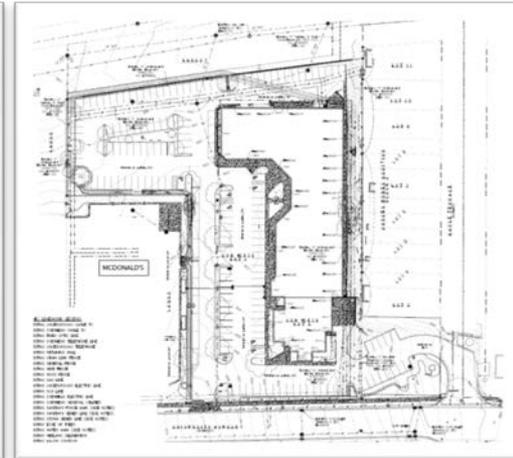
- 2011-2013: Mixed Use and Affordable Housing Development (TID No. 3)
“Arbor Crossing”
 - Project Goals
 - Redevelopment of site
 - Mixed-use
 - Bike path improvements
 - Affordable housing
 - Stormwater Improvements
 - Structured parking
 - Development Incentive
 - Cash Grant for affordable housing



Case Study – Village of Shorewood Hills

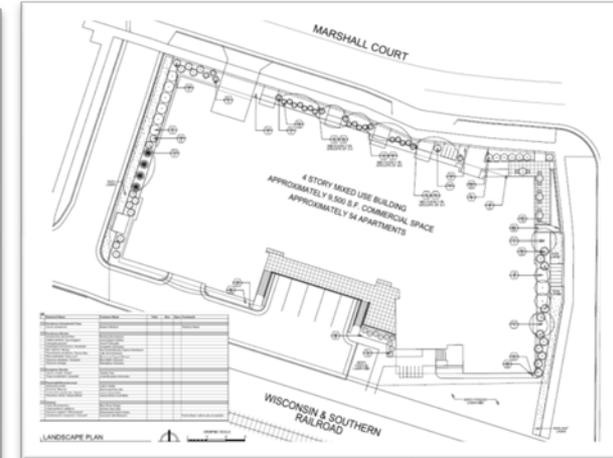
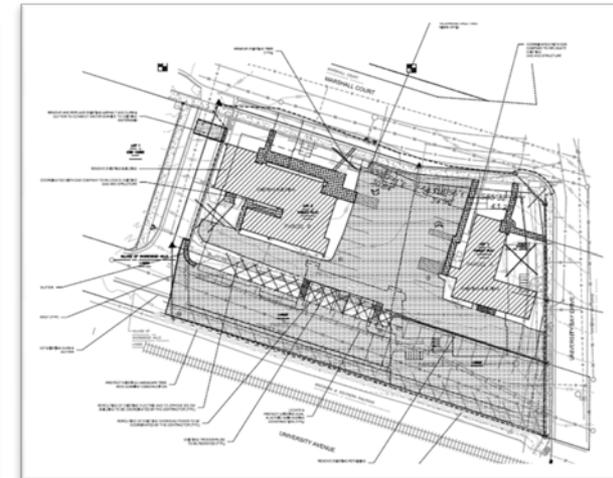
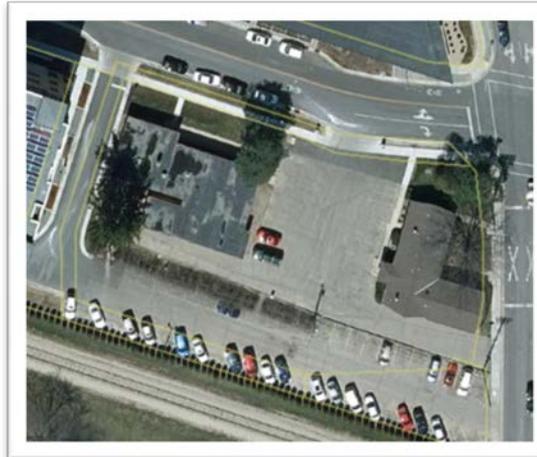
- 2012-2014 - Mixed Use and Market Rate Development (TID No. 4)
“Lodge at Walnut Grove”

- Project Goals
 - Redevelopment of underutilized site
 - Mixed-use site
 - Bike path improvements
 - Structured parking
- Development Incentive
 - Cash Grant and PAYGO



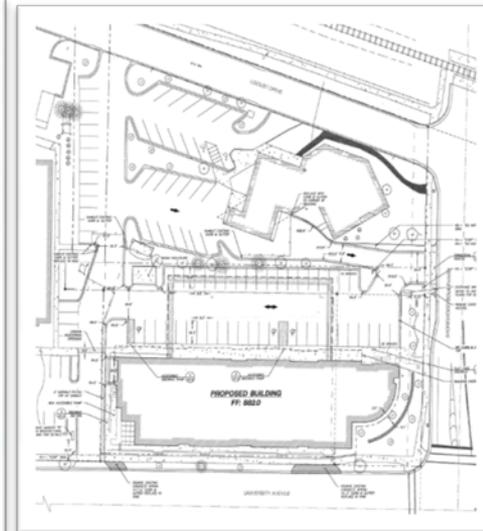
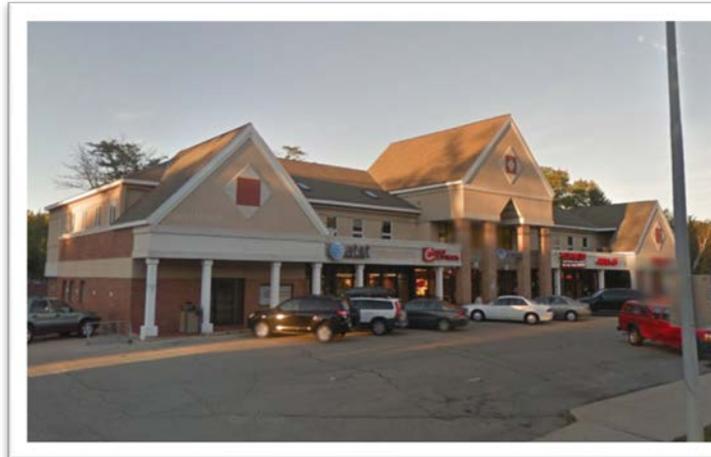
Case Study – Village of Shorewood Hills

- 2014-2016 - Mixed Use and Affordable Housing Development (TID No. 3)
“700 University Bay Drive”
 - Project Goals
 - Redevelopment of site
 - Mixed-use
 - Bike path improvements
 - Affordable housing
 - Structured parking
 - Development Incentive
 - PAYGO



Case Study – Village of Shorewood Hills

- 2015-2017 - Mixed Use and Market Rate Development (TID No. 3) – “The Boulevard”
 - Project Goals
 - Redevelopment of site
 - Mixed-use
 - Shared parking
 - Structured parking
 - Development Incentive
 - PAYGO
 - Claw Back Provisions



Case Study – Village of Shorewood Hills

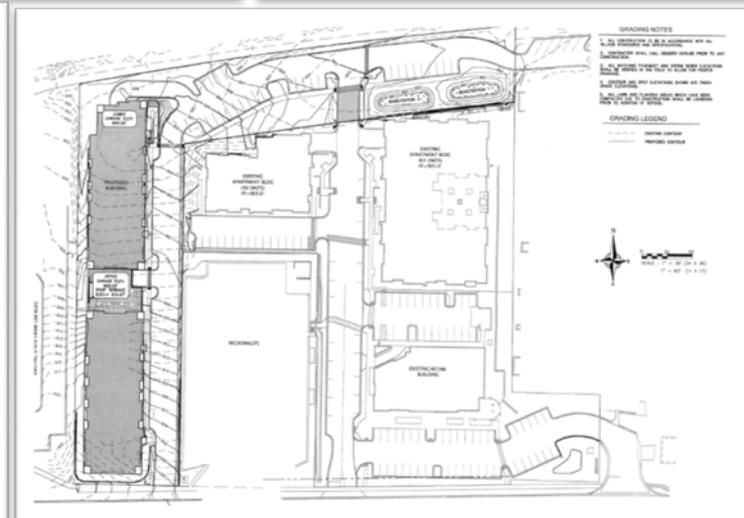
- 2015-2017 –Market Rate and Affordable Housing Development (TID No. 5)
“Lodge at Walnut Grove – Phase 2”

- Project Goals

- Redevelopment of site
- Mixed-use
- Bike path improvements
- Affordable housing
- Structured parking

- Development Incentive

- PAYGO



Case Study – Village of Shorewood Hills

- Increase in estimated population from 1,573 in 2013 to approximately 2,350 by build-out completion
- 390 New MF Units and commercial space
- Closer to target of more affordable units in the community



Important Considerations when Reviewing Municipal Funding Assistance Requests

Other Project Considerations

- Political

- Understand the experiences of your elected officials & municipal staff
- Know the hot issues
- Know the general development climate/ receptiveness to potential projects

- Economic

- How much does the developer need to shoot for?
- How much increment is available & what is left for other developments or other municipal projects?

Other Project Considerations

- Market

- Position in economic cycle? national-regional-local
- Know the interest rates, cap rates, other terms for the area (not national)
- Review assumed costs- land, construction, labor, etc.

- Presenting the Deal to the Public

- Properly categorizing and classifying eligible vs. Extraordinary costs
- Public benefits as “trade offs”
- Communicating with the community



Municipal Funding Assistance Best Practices



Municipal Funding Assistance Best Practices

- Create Economic Development Strategy
 - Incentives should only be used when there is a measureable net benefit to the community and exceed public costs.
 - Start small and establish a strategic incentive plan that identifies baseline measuring metrics
- Target specific industries or priority to those that:
 - Export products and bring in new dollars
 - Create more spin-off economic impacts in the community
 - Offer additional benefits to the community (greenspace, quality buildings, etc)
- Incentives should improve the quality of life for residents

Municipal Funding Assistance Best Practices

- More efficient to retain existing local businesses and assist local businesses to expand than to recruit a business from outside the community
- Think outside the box on a community-changing deal
- The shorter the payback period, the better the deal is for the community



Open Discussion

