

Community Development Authority Village of Fontana-on-Geneva Lake

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Tax Increment Financing Village of Fontana - Financial Assistance Policy

General TIF Policy:

While tax increment financing (TIF) is an important and useful tool in attracting and retaining businesses, it is essential that it is used appropriately to accomplish the Village's economic development goals and objectives. The fundamental principle that makes tax increment financing viable is that it is designed to encourage development which would not otherwise occur. The Village is responsible to assure that the project would not occur "but for" the assistance provided through tax increment financing.

Policy Assistance Guidelines:

Allowable uses of TIF assistance funds include:

1. Land acquisition
2. Planning, legal, engineering and /or architectural services
3. Demolition of buildings and clearing of property
4. Construction costs of infrastructure improvements
5. Rehabilitation of existing structures
6. Financing costs

The Village enters into "Redevelopment Agreements" with businesses that either locate or make substantial improvements within the TIF District. Through this agreement, the business agrees to complete the project and make certain improvements.

A business cannot assume that Village will financially participate in the project. Decisions are made on a project-by-project basis and must receive approval by the Community Development Authority and the Village Board before any financial assistance is provided.

Standard Requirements:

Consideration for project assistance is to be reviewed for compliance with the following requirements:

- The business must be a “for profit” business in good financial standing.
- The business must be located within TID #1.
- The business must show the financial capacity to complete the proposed project.

Evaluation Criteria:

The following criteria are to be used by the Village to evaluate TIF applications:

- Each TIF applicant must demonstrate that without the use of TIF, the project is not feasible and would not otherwise be completed.
- The total amount of TIF assistance will not exceed _____ percent (___ %) of the total project costs and will not exceed the total amount of TIF eligible expenses. Total project is the complete project as defined within the TIF assistance application.
- TIF assistance for public infrastructure is favored.
- Each TIF application must include evidence that the applicant possesses the financial and technical ability to complete and operate the project.
- Preference will be given to applicants who contribute equity of at least _____ percent (___ %) of the total cost of the project or provide a performance bond for the completion of the project; projects with equity contributions from the developer in excess of _____ percent (___ %) will be viewed more favorably.
- TIF projects that create jobs, particularly jobs with wages that exceed the median income level of the Village of Fontana-on-Geneva Lake are favored; each TIF applicant will provide the following information as part of their submittal:
 - The total number of additional employees that will be hired and potential that they will be hired from the Village (or local) population; and
 - The skill and educational levels, and range of salary and compensation required for jobs expected to be created.

- ❑ If the project will involve development/redevelopment of vacant land, it should conform to the Village’s plans and programs and serve as a catalyst for further, high quality development and redevelopment.

Application Procedure:

Applications submitted shall be review through the following process:

- ❑ Application materials, including the required deposit and the executed “cost-recovery” agreement, shall be submitted to the Village Clerk and forwarded to the Executive Director of the Community Development Authority.
- ❑ The CDA Chairman, the Executive Director, and other appropriate staff (as determined by the Chairman) will review the application for completeness, applicability and eligibility. In order to better understand the needs of the project, the applicant or staff may request a meeting.
- ❑ If after preliminary review of the application, the Staff determines that the project will most likely be denied TIF assistance, the application deposit may be returned to the applicant along with a letter of explanation.
- ❑ If after preliminary review, the application is determined to be complete and ready for review and consideration by the CDA, the Executive Director shall forward the application and all supporting materials to the CDA Commissioners and place the item on the agenda of the next available monthly meeting. *(Note: When determining available meetings, the Executive Director shall ensure that the information is distributed at least 20 days in advance of the meeting, except in situations where the CDA Chairman requests that the 20 days requirement be waived.)*
- ❑ If the CDA considers the project worthy of financial assistance, the application will be forwarded to the Village Board for an official vote.
- ❑ Should the Village Board consider the project appropriate for financial assistance, a “three-party redevelopment agreement” between the applicant, the Village and the Community Development Authority shall be prepared for review and recommendation by the CDA and then final approval by both the CDA and the Village Board.