

ORDINANCE NO.:5243

A SECOND AMENDED ORDINANCE to repeal and recreate sec. 2-402, sec 2-403, sec 2-404, and sec 2-405 of the Code of Ordinances of the City of La Crosse regarding economic development.

THE COMMON COUNCIL of the City of La Crosse do ordain as follows:

SECTION I: Sections 2-402, 2-403, 2-404, and 2-405 are hereby repealed and recreated to read as follows:

Sec. 2-402. – Findings of fact, statement of purpose

- (a) *Findings of fact.* A comprehensive program of economic development, including the prudent use of incentives, protects the public health, safety, convenience, general welfare and tax base of the City.
- (b) *Purpose and intent.* This article is intended to guide economic development programs and incentives to:
 - (1) Protect life, health, property and general welfare of the City;
 - (2) Minimize expenditures of public funds for development and redevelopment projects;
 - (3) Minimize business interruptions and other economic disruptions;
 - (4) Implement a high-profile proactive approach to local economic development through public/private partnerships;
 - (5) Provide a range of development incentives, as needed, to retain local employers and to stimulate their expansion;
 - (6) Facilitate the redevelopment and revitalization of the downtown and other commercial areas;
 - (7) Attract a variety of manufacturing and regional office employers in business sectors with projected growth;
 - (8) Provide both existing and new businesses and developers with a consistent set of standards for the City's approach to incentive programs for projects located on private and/or publicly owned sites;
 - (9) To facilitate the use of Federal and State development incentive programs and grants for local development projects.
 - (10) Maximize the effectiveness of the City's limited resources in stimulating job creation and/or retention;
 - (11) Compete on an equal basis with other communities for an increased share of new development and redevelopment projects;
 - (12) Assist the City in implementing its overall economic development goals;
 - (13) Enable the City to compete globally by actively creating and retaining a skilled and educated work force;
 - (14) Mitigate climate change and adapt to our changing environment by meeting the Natural Step's four systems conditions:

- a. Reduce dependence upon fossil fuels, extracted underground metals and minerals.
- b. Reduce dependence on chemicals and other manufactured substances that can accumulate in nature.
- c. Reduce dependence on activities that harm life sustaining ecosystems.
- d. Meet the hierarchy of present and future human needs fairly and efficiently.

Sec. 2-403. – Economic and Community Development Commission.

- (a) *Purpose.* The purpose of the Economic and Community Development Commission is to act as an advisory body to the Common Council by implementing the Comprehensive Plan (primarily the Economic Development Element), Tax Increment District Project Plans, the Imagine 2040 Downtown Master Plan, the CDBG Action Plan, and the Consolidated Plan. The Commission shall also advise and approve the City's Housing and Urban Development (HUD) allocations, housing programs, the administration of the City's business assistance programs and address issues common to the City's economic vitality and viability.
- (b) *Appointment and term of office.* There shall be an Economic and Community Development Commission consisting of seven members, each for a term of two years and shall include the Mayor, four citizen representatives, the Chair of the Finance and Personnel Committee and the Council President. Officers will be elected at the first meeting and then every two years following. The citizen members shall be appointed by the Mayor subject to confirmation by the Common Council. No salary or compensation shall be paid to any member of said Commission for the member's services as Commissioner. The citizen members shall serve staggered terms. All members shall be residents of the City and consist of:
 - (1) The Mayor.
 - (2) The Council President.
 - (3) The Chair of the Finance and Personnel Committee.
 - (4) Four City of La Crosse residents with reputable knowledge and experience. In appointing members consideration will be given to inclusion of persons of low and moderate income. These qualifications may include, ~~but are not limited to~~ people in the following areas of expertise:
 - a. ~~Banker/Loan Officer.~~ Financial Services; Local business or manufacturing representative; Realtor.
 - b. ~~Certified Public Accountant.~~ Housing Policy; Community Needs Assessment; Non-profit social advocacy.
 - c. ~~Local business owner.~~ Human Services; Health Care; Public Health; Public Services.
 - d. ~~Manufacturing representative.~~
 - e. ~~Realtor.~~
- (c) *Powers and duties.* The Economic and Community Development Commission shall:
 - (1) Be responsible for advising the implementation of this economic development article and City staff's work in facilitating development projects and coordinating efforts with the private sector. As development projects arise, the Commission shall have the authority to negotiate the types and level of development incentives needed in accordance with the provisions of this article. The City officers, the Commission and the City Council shall maintain the confidentiality of all such negotiations. The City Council shall have the final

authority to review and approve all negotiated agreements in accordance with Wisconsin State Statutes.

- (2) Advise the management of the City's economic development assistance programs as outlined in their respective policies and guidelines, including small business loan/grant programs, commercial rehabilitation loan/grant programs, Upper Floor Renovation Revolving Loan Program, Facade Improvement Programs, Tax Incremental Financing (TIF) loans/grants, Industrial Revenue Bonds, LIPCO projects and loans, Industrial Park development and redevelopment, the Architectural and Engineering Analysis Program, and all other forms of economic development assistance using City funds.
- (2) Review and approve requests for economic development assistance as is outlined in each program's respective policy and guidelines. Final decisions regarding TIF assistance and the corresponding development agreement will be made at the Council level; this Commission will provide initial review and approval with a recommendation made to Council.
- (3) Review the preparation, implementation, annual monitoring and management of the City's Tax Incremental Districts, including negotiating, monitoring, management, and implementation of Development Agreements including any amendments.
- (4) Review, recommend, and approve economic development policies, ordinances and programs and facilitate activities to improve the economic climate of the City of La Crosse while reducing carbon emissions and increasing renewable energy use.
- (5) Provide advisement regarding the City's annual federal HOME and Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development. The Commission is responsible for allocating these funds to local public service agencies, public facilities, and housing and economic development programs in order to benefit low- and moderate-income households within the City of La Crosse.
- (6) Review and advise duties regarding the Community Development Housing programs, including Housing Rehabilitation, Replacement Housing and the Affordable Housing Fund.
- (7) Review and advise programs and policies which assist in revitalizing the City's neighborhoods, address income inequality, and improve the quality of housing in the City.

Sec. 2-404. - Standards for economic development assistance.

- (a) The standards outlined herein are intended to provide high-level goals and guidance to applicants, City staff, the Commission and Common Council for projects and developments needing City assistance, including those within Tax Incremental Districts (TIDs) and projects adjacent to the City's TIDs. These standards have been promulgated to protect the public's trust and resources and to ensure that City government treats all applicants fairly and equitably. Notwithstanding compliance with any or all of the standards herein and the corresponding policies, the provision of assistance is a policy choice to be evaluated on a case-by-case basis. The burden of establishing the public value of assistance shall be placed upon the applicant and the application must substantially meet the criteria required by the City's policy regarding the respective assistance requested. The Commission reserves the right to bring any assistance proposal forward for Council consideration, including assistance programs that allow for approval at the Commission level. Meeting statutory requirements, standards or other criteria does not guarantee the provision of financial assistance nor does the approval or denial of one project set precedent for approval or denial of another project.

- (b) If the applicant is looking for funding from the City's established economic development programs such as Small Business Development Loan Program/Commercial Rehabilitation Loan Program, Upper Floor Renovation Revolving Loan Program, Facade Improvement Programs, the Architectural and Engineering Analysis Program, or TIF loans/grants, the applicant should follow the specific application process and corresponding guidelines. The City will endeavor to process applications on a timely basis.
- (c) Each project is unique and therefore every application/proposal shall be evaluated on its individual merit, including its potential impact on City service levels, its overall contribution to the economy and its consistency with the Comprehensive Plan or other planning documents. The applicant should demonstrate that there will be a significant public benefit to the community by achieving as many of the following public benefits as possible:
 - (1) Stimulate revitalization of the City, its older neighborhoods, industrial areas, commercial districts and Historic Downtown La Crosse by:
 - a. Improving infrastructure;
 - b. Meeting job creation requirements as referenced in the City's Living Wage Resolution as amended or superseded;
 - c. Retaining existing jobs;
 - d. Creating a variety of mixed-use commercial/housing opportunities to increase the number of downtown residents;
 - e. Attracting desirable businesses and retaining existing businesses;
 - f. Encouraging development projects that enhance the streetscape and pedestrian experience and improve the vitality of the downtown area by adding interest and activity on the first floor of mixed-use buildings;
 - g. Promoting use of mass transit by actively promoting and participating in the MTU Works pass program for employees.
 - (2) Promote efficient usage of land through elimination of blight and redevelopment of underutilized properties.
 - (3) Support an educated and skilled workforce and strengthen the employment base of the City overall.
 - (4) Stabilize and upgrade targeted neighborhoods.
 - (5) Increase property values, tax base and tax revenues.
 - (6) Leverage the maximum amount of non-City funds into a development and as a result flow back into the community.
 - (7) Reduce communitywide greenhouse gas emissions by 40-50% of 2019 GHG emissions by 2030, and reaching carbon neutrality by 2050.
 - (8) Further strengthen the City's role as the hub and economic center for the larger region.
 - (9) Foster diversity both among business type/industry and demographic make-up of the business owners, employers, and employees.
 - (10) Stimulate and/or support place-making initiatives.
 - (11) Address economic equity within the City.
 - (12) Improve economic resiliency within the City.

- (13) Contribute to other unique projects or programs not listed that provide public benefits.
- (d) The following eligibility standards will be used in financial requests for large-scale public assistance:
- (1) "But for" standard (i.e., demonstration of need for the public assistance). The fundamental principle and that which the City must determine through information provided by the developer is that the project would not occur "but for" the assistance provided through City financial assistance. The burden is on the developer to make its case to the City. City financial assistance will be provided solely to fill an identified financial "gap" and the City's assistance will be restricted to the minimum amount necessary to make a project financially feasible. It is at the Commission's discretion to define the amount and form of financial assistance.
 - (2) Every other financial alternative is expected to be explored prior to the request for City assistance.
 - (3) To meet the public purpose doctrine, job creation and retention may be a requirement for economic assistance, necessitating job records and retention of jobs for a period of time. If the promised jobs are not created and retained for the agreed to period of time, then the City's financial assistance may become due and payable immediately.
 - (4) Eligible projects. In order for the project to receive financial assistance, the project shall consist of the following types of development projects:
 - a. Business development (attraction, retention, expansion), assistance will be evaluated on its impact on existing local markets.
 - b. Mixed-use developments that creatively integrate commercial and retail projects into a residential development.
 - c. Revitalization of historically designated, significant or deteriorated buildings.
 - d. Projects that promote downtown office and retail development.
 - e. Projects that promote neighborhood stabilization or revitalization.
 - f. Projects that promote industrial development.
 - g. Projects consistent with approved TIF Project Plans.
 - h. Projects that involve environmental clean-up, removal of slum and blighting conditions.
 - i. Projects that contribute to the implementation of other public policies, as adopted by the City in its strategic plans such as affordable housing/workforce housing, mass transit, promotion of high-quality architectural design, energy conservation (i.e. infrastructure, etc.)
 - j. Projects that provide retail, housing and mixed uses in existing commercial nodes (e.g., Caledonia Street, I-90/Exit 3).
 - k. Whole-building energy modeling (BEM) for new construction and building retrofits.
 - l. Renewable energy, including solar photovoltaics, geothermal, and wind energy.
 - m. Microgrid technology that can support renewable energy and energy reliability.
 - n. Green roofs that include gardens that can capture and retain stormwater.
 - o. Blue roofs that capture and store stormwater to mitigate runoff effects.

- p. Under-parking water retention systems that capture and store stormwater to mitigate runoff effects.
 - q. Stormwater management best practices that are above the State mandate.
 - r. Purple pipe reclaimed water piping systems.
 - s. Site-specific public art projects.
- (5) Ineligible projects. The following types of development projects are ineligible for City assistance for large-scale development projects:
- a. Speculative office (projects that have no secure tenants).
 - b. Any development where a market study shows a demand for the project/product and/or such that there exists a long-term "bankable" lease of ten or more years.
 - c. Relocation (pirating) of tenants from another site within the City or region (offices, retail and/or other commercial uses) for the purpose other than retaining or substantially expanding said business.
 - d. Standalone big box commercial.
 - e. Projects not consistent with the Comprehensive Plan and other City Plans, such as the Imagine 2040 plan and Climate Action Plan.
- (e) Structure for financing assistance. The following parameters are established for providing financial assistance.
- (1) No mortgage guarantees. The City will not provide mortgage guarantees.
 - (2) Loans using Federal or City funds, including State Trust Funds, shall generally follow the same underwriting standards and procedures as grants or other financing overseen by this Commission.

Sec. 2-405. - Sale of City-owned land

- (a) The following is the formal established policy and procedure for the sale of City-owned property which is intended to provide a common standard for sales and will assist the City in stimulating interested purchasers/developers.
- (1) Each City Department shall maintain a listing of property under its jurisdiction and shall annually present a list of its properties to the Board or Committee that oversees the respective department, to determine if any property can be deemed "surplus". The Board of Public Works shall annually request the surplus property listing from each Department to ensure annual compliance.
 - (2) Property may only be offered for sale if it is first determined to be "surplus" by the Board or Committee that oversees such land and by Common Council resolution. Once a property is deemed surplus it shall be advertised with a display ad in the La Crosse Tribune; or by request for qualification/proposal that is widely distributed; or by sealed bid (this requirement shall only apply to commercially zoned land, parcels zoned for multiple dwelling, or parcels suitable for platting). A "For Sale" sign with contact information is required to be located on the property for minimum of (10) consecutive days.
 - (3) It shall be the responsibility of each department to advertise surplus property under its jurisdiction.

- (4) Future land use must be compatible with the City's Comprehensive Plan and other adopted plans.
- (5) The City may add conditions or contingencies to any land sale.
- (6) The City may add a reverter clause to any purchase agreement to buy back land at the original sale price if the land is not developed or if the land is deemed tax exempt.
- (7) The anticipated sales price of the property shall be determined by the City Assessor or by a third-party appraisal unless the property sale is part of an application for City assistance through the Economic and Community Development Commission. The Board of Public Works will ~~approve the finalized~~ negotiate the sale price and provide a recommendation to the Common Council. The Common Council will need to approve the sale price via Resolution in order to finalize the sale.
- (8) The aforementioned conditions for sale found in Sec 2-405 do not apply to the following:
 - a. Lands that are deemed of local interest, such as a parcel smaller than 7,200 square feet or a remnant parcel created as a result of a highway construction project or remnant or surplus parcels that would only have an interest by the abutting property owner, shall only be required to be advertised via a legal ad in the La Crosse Tribune. Per the discretion of the Board or Committee overseeing the sale, adjacent land owners in need of land for business expansion may be given priority in the land sale.
 - b. Land sold to non-profit entities or corporations for municipal public purpose.
 - c. Land sold in the City's industrial/business parks, land sold for industrial purposes, or land sold by the Redevelopment Authority where Wisconsin Law otherwise authorizes sale of industrial or Redevelopment Authority lands. However, such land sales shall be advertised on the City website as well as with signage on the property.
 - d. Whereas otherwise provided by law or otherwise directed by Common Council Resolution.

SECTION II: Should any portion of this ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, the remainder of this division shall not be affected.

SECTION III: This ordinance shall take effect on February 9, 2023.

/s/

Mitch Reynolds, Mayor

/s/

Nikki M. Elsen, City Clerk

Passed: 1/12/2023
Approved: 1/17/2023
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