CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID

22-1509

Caption

Resolution approving a revised Tax Increment Financing policy.

Staff/Department Responsible for Legislation

Planning & Development

Requestor of Legislation

Planning & Development Staff

Location, if applicable

Summary/Purpose

This policy has moved TIF parameters and policy from the Economic Development ordinance into the attached document with some changes made. Each of those changes are identified in the attached "red-lined" version of the Policy. Overall, these changes allow for more flexibility. This would not preclude certain requirements to be added in the negotiation stages of the development agreement if desired, however it would not require they be included if they prove to be irrelevant or a unnecessary barrier given the value the project might otherwise bring to the City. Additionally:

- All types of housing have been identified as a substantial and significant need.
- Overall, language has been clarified regarding the City's priorities surrounding carbon neutrality, our Climate Action Plan, and sustainability.
- Language is added that aligns with current economic development priorities and best practices.
- The requirement that City assistance shall not exceed the amount of equity provided by the developer was removed.
- The TIF Cap was increased to 20% of taxable valuation, while still allowing for a modification to this limitation in instances of special consideration.
- Given current and projected make-up of the workforce and job market, language was modified regarding job creation and requirements to allow more flexibility. Job compliance requirements have also been difficult to track and enforce.
- An 85% Rule in the Criteria for TIF Assistance section was added.
- The application fee was changed to $10,000 or 1% of assistance requested, whichever is greater. Maximum of $25,000.
- Some of the required application items were modified.
- Property owners cannot protest the determination of property value.

Background

These ordinance changes have been reviewed by the Economic Development Commission at 2 separate meetings, as well as by multiple City staff members across departments. Given that this legislation corresponds to the economic development ordinance changes (22-1505), the TIF policy legislation will need to be reviewed and approved in conjunction with that legislation.

Fiscal Impact

Staff Recommendation

Staff recommends that this TIF policy and Resolution be adopted.