



**City of La Crosse
Economic Development Incentives
Standards and Process**

City of La Crosse
Planning & Development Department
400 La Crosse Street
La Crosse, WI 54601
www.grandrivergreatcity.com

Introduction

The purpose of the City's Economic Development Ordinance ([Section 2-402](#)) is to regulate economic development programs and incentives to protect the public health, safety, convenience, general welfare and tax base of the City. This document intends to do two things: 1) it distills the key elements of the ordinance and 2) it lays out the process for large scale assistance requests.

Economic Development Commission

The Economic Development Commission (EDC) was created via the Ordinance to act as an advisory body to the Common Council. The Commission shall oversee the administration of the City's Business Assistance Programs, and address issues common to the City's economic vitality and viability. The EDC will coordinate the preparation, implementation, and annual monitoring of Tax Incremental Districts, as well as negotiate the level of development incentive needed in accordance with the provisions of the ordinance. In accordance with Wis. Statutes, Common Council shall have final approval authority of all agreements.

Application Process

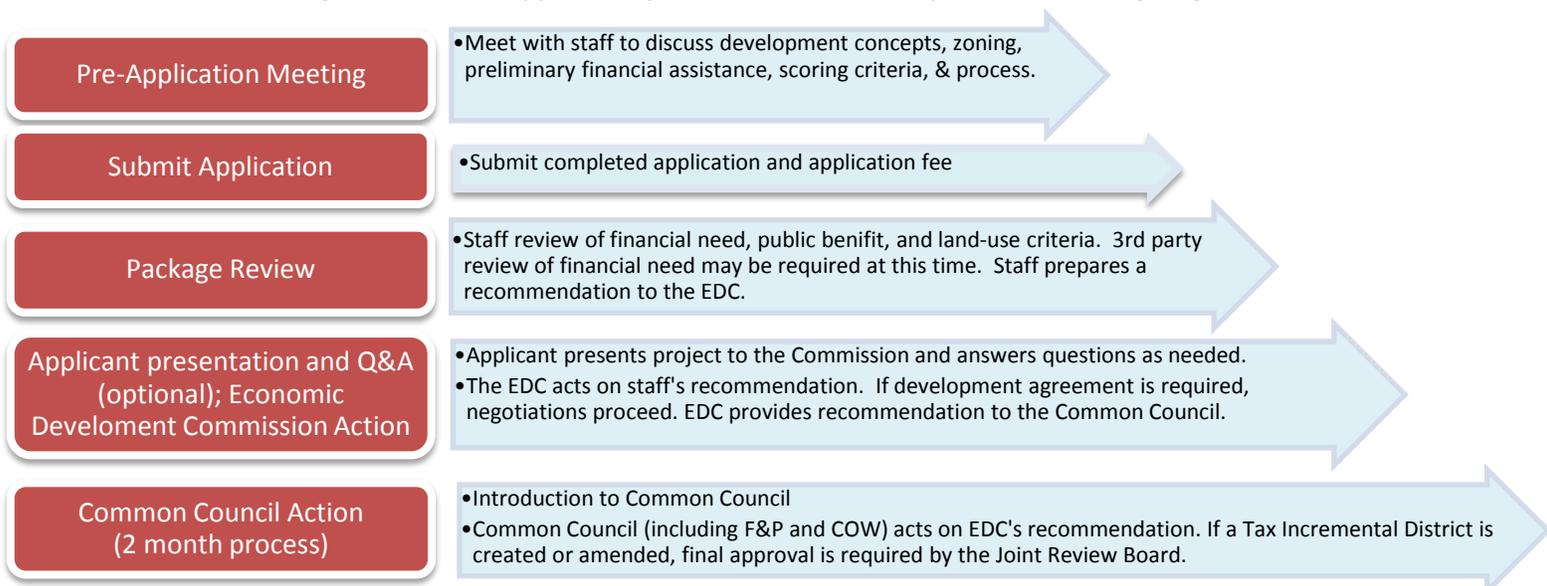
The process will depend on the type of assistance needed; staff is available to provide guidance in moving through the process. All applications are due on the first Friday of the month, by 5:00 PM. The Economic Development Commission will add the application to the subsequent EDC agenda. Regularly scheduled EDC meetings are held on the fourth Thursday of every month. If funding is recommended for approval, and the applicant is in agreement, then legislation will be introduced on the first Friday of the following month after the EDC meeting.

- The Business Assistance Programs (small scale assistance) include the following:
 - Small Business Development Loan Program / Commercial Rehabilitation Loan Program
 - Architectural & Engineering Analysis Program
 - Upper Floor Renovation Revolving Loan Program

These programs are established and have their own guidelines and procedures, and applicants can expect 60 days to process these program incentives. Businesses interested in these programs should visit www.grandrivergreatcity.com for applications and program guidelines.

- Large scale development or business expansion projects may look to the City for the following types of assistance:
 - Loans and grants awarded through Tax Incremental Financing
 - Industrial Park development and redevelopment
 - Industrial Revenue Bonds
 - La Crosse Industrial Park Corporation (LIPCO) projects and loans

This document will further outline and detail the process to follow for large scale projects. **The applicant should expect a 2-6 month turnaround depending on the funding program.** Any project, which requires the creation or amendment to a Tax Incremental District, can expect 6 months or more to process, dependent upon the duration of negotiations. The application process includes the steps in the following diagram:



Application Requirements

The Prospect Data Sheet (PDS) is the application as well as the checklist for submission requirements. Wisconsin Economic Development Corporation created the PDS, and the City of La Crosse has adopted this application format, which should streamline the process for those applicants applying for both state and local assistance. Some required materials include a business plan (template provided by the [U.S. Small Business Administration](#)), detailed project information, and detailed business information. The executive summary should address the criteria in which the application will be scored, including financial need, public benefits, and land-use compatibility. Refer to the Prospect Data Sheet and attached checklist (located at the end of this document) for detailed submission requirements. Proprietary information may remain confidential upon request.

Financial assistance requests require a one percent (1%) fee based on the amount of assistance requested, or \$10,000 whichever is greater. For loan requests, the fee shall be one percent (1%) of the requested amount. These funds are used to partially cover the City's legal, professional, and administrative costs. The application fee is due when the application is submitted to the City. The City, at its discretion, may return those funds not utilized after the project has completed the City process. If the application is made and the project does not move forward, the application fee, minus documented city expenditures for the project, will be refunded to the applicant.

Outside consultants hired by the City to analyze funding requests, including evaluating the financial need and return on investment (ROI), shall be paid for by the applicant and will not be considered part of the application fee. \$1,000 will be due to the City at the time of application, for the outside consultant evaluation. Evaluations average from \$500 - \$2,500 depending on the scale of the project. If the actual cost is less than \$1000, the excess will be returned to the applicant. If the evaluation cost is more, the project will not be listed on the EDC agenda until the applicant has paid the additional cost.

Scoring Criteria

The standards outlined in Table I, provide clear direction and understanding to applicants, City staff, the EDC, and Common Council. These standards are intended to protect the public's trust and resources, and to ensure that the City treats all applicants fairly and equitably. Project applications will be scored based on criteria found in [Municipal Code 2-402](#), and the results of the scoring will be presented to the EDC and used as part of the due diligence process. Scoring criteria are summarized below.

Notwithstanding compliance with any or all of the standards, the provision of assistance is a policy choice to be evaluated on a case-by-case basis by the Common Council. The burden of establishing the public value of assistance shall be placed upon the applicant and the application must substantially meet the standards. The Commission reserves the right to bring any incentive proposal forward for Council consideration.

This document is a synopsis of the City's Municipal Ordinance for Economic Development. More detailed information can be found in the Ordinance or by contacting City Economic Development staff:

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Table I – Scoring Criteria

Financial Need - 9 Points Required		
Financial assistance will be provided to fill an identified financial gap. The fundamental principle that the City must determine, through information provided by the developer, is that the project would not occur “but for” City assistance. Financial criteria will be scored as follows:		
Scoring Criteria	Potential Points	Project Score
Developer equity:		
• 15% +	3	
• 15% minimum	1	
Tax Incremental Financing: % of Project Cost		
• 1-5%	5	
• 6-10%	3	
Payback Period:		
• Less than 5 years	5	
• 6-12 years	3	
• 13-20 years (20 yrs. max)	1	
Land Assembly Cap		
• Less than 10%	1	
Internal Rate of Return		
• 0-9%	3	
• 10-15%	2	
• 16-30%	1	
Increase in Improvement Value		
• 20% +	2	
• 20% minimum	1	
Total	19	

Class	Hourly Rate	Income Descriptions
I	\$22.36	La Crosse County 2014 Average Household Income
II	\$17.48	Average of Class I and II
III	\$12.61	Living wage based on 110% poverty guidelines for a family of 4

Special Considerations- 7 Points Required		
Criteria	Potential Points	EDC Score
Support an educated workforce		
• Employers develop curriculum, evaluation and assessment tools, and job shadow programs	2	
• Leadership/partnership with workforce development programs		
Demonstrable efforts to increase the percentage of newly hired and retained employees who reside within the City limits of the City of La Crosse.	5	
Higher standard of urban design (e.g., mixed use, add vitality to commercial districts by adding interest and activity on the first floor of mixed use buildings, etc.)	3	
LEED Silver or equivalent	3	
Providing protection of natural resources	2	
Additional performance standards which enhances the overall quality of life	2	
Total	17	

Public Benefit - 13 Points Required		
The following will be scored based on stimulating revitalization of the City, its older neighborhoods, industrial areas, commercial districts and Historic Downtown La Crosse. The developer must demonstrate that there will be a significant public benefit to the community by achieving as many of the following public benefits as possible:		
Scoring Criteria	Potential Points	Project Score
Job creation*		
• Avg. hourly rate > Class I	10	
• Avg. hourly rate > Class II	5	
• Avg. hourly rate > Class III	1	
• 1 point for every job created in pay Class I		
• 0.5 point for every job created in pay Class II	10	
• 0.1 point for every job created in pay Class III		
Strengthen the economic base of the City	10	
• 1 point for every additional \$1,000,000 of assessed value		
Leveraging the maximum amount of non-city funds	3	
Promote efficient usage of land through elimination of blight and redevelopment of underutilized properties	2	
Stabilize and upgrade targeted neighborhoods (Powell -Poage and Lower North Side neighborhoods)	2	
Creating a variety of mixed-use commercial/housing opportunities to increase the number of City residents	2	
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	2	
Promote use of Mass Transit by actively promoting and participating in the MTU Works pass program for employees	1	
Attracting desirable businesses and retaining existing businesses	1	
Contribute to other unique projects or programs not listed that provide public benefits	1	
Improving infrastructure	1	
Retention of existing jobs	1	
Total	46	

Eligible Projects	
•	Business retention & expansion and exporters
•	Promotion of downtown office and retail
•	Projects that contribute to the implementation of adopted City policies and plans
•	Promote neighborhood stabilization/revitalization
•	Mixed use development in commercial nodes and city gateways
•	Projects consistent with approved TIF Project Plans
•	Environmental clean-up, removal of blight
•	Revitalization of historically designated buildings