



WISCONSIN DOWNTOWN ACTION COUNCIL DOWNTOWN PROJECT CASE STUDY PROFILE

Date: August 20, 2010

Project Name: Tax Incremental Financing for Downtowns

Project Location: Rhinelander, Wisconsin

Project Type (check all that apply)

- Residential
 - Commercial
 - Industrial
 - Adaptive Reuse
 - Redevelopment
 - Signage
 - Creative Partnership
 - Financing
 - Mixed Use
 - Historic Preservation
 - Transportation
 - Open Space
 - Other _____
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Brief Project Description

Mr. William Bell, Rhinelander's City Administrator provided an overview of Rhinelander's TIF experience and Mr. Gary Becker of Vierbicher and Associates provided an excellent overview of tax incremental financing strategies for downtown's at the WDAC Rhinelander community visit.

Other Key Development Members: William Bell, Rhinelander City Administrator, Gary Becker, Vierbicher and Associates

General Description (Use, Density, Partners, Strategy, Details...)

City Administrator William Bell noted that the City of Rhinelander has 3 active TIF districts and has had 8 over the years. Rhinelander just recently (2010) established a waterfront and downtown area TIF district to help revitalize Rhinelander's central business district and the Wisconsin and Pelican River frontages which had been historically industrial 'working' section of riverfront. Rhinelander



was assisted by a Wisconsin Waterfront Initiative grant that helped form a focus group to engage the City's plan commission in the downtown revitalization efforts. Rhinelander chose not to use a pay-as-you-go approach in order to expedite infrastructure investment. It is expected that the downtown TIF district will be in place for 20 years.

An initial TIF project is planned near the City's municipal building consisting of a \$1.3 million dollar finance office investment with \$150,000 in TIF funding being used for parking, landscaping, utility relocations, acquisitions and demolition costs.

Rhinelander's downtown TIF district established a 5 to 10 year plan to revitalize the entire downtown business district with \$5 to \$6 Million Dollars in new infrastructure investment, combined with the use of Community Development Block Grant funding. Mr. Bell noted that it is very important to have a downtown business organization to solicit what the areas needs are. In addition to the TIF, a downtown Business Improvement District was created in Rhinelander initially to save two parking lots that were highly regarded by downtown businesses. The purchase of these two parking lots by the BID, was the catalytic project that launched the BID program. Mr Bell noted that the presence of a BID and a Mainstreet organization in Rhinelander fosters good communication between City officials and local businesses.

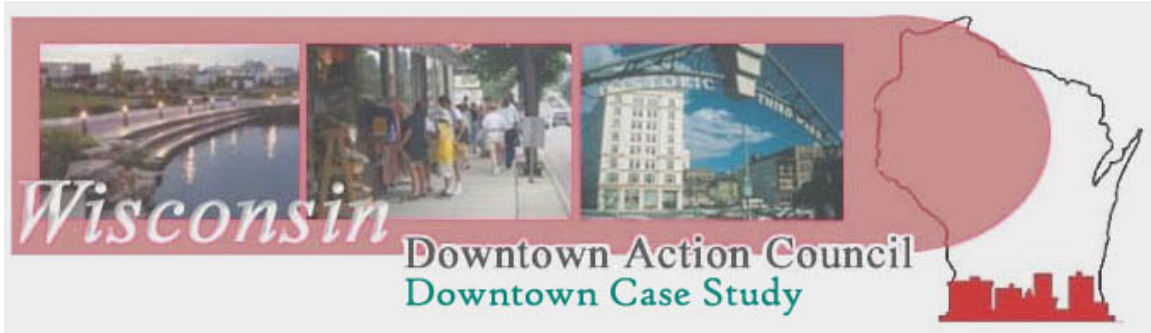
It was also noted by local businesspeople at the event that it has been very valuable to the community to have a city administrator who is resourceful and finds resources for the community.

Rhinelander also has an economic development city-committee and a downtown organization entitled Downtown Rhinelander Inc.

Experience Gained (Key Issues, Difficulties, Challenges overcome, Solutions..)

Gary Becker of Vierbicher and Associates provided an excellent overview of Tax Incremental Financing strategies and legislation, offering several pointers to keep in mind while administering a TIF:

1. Study all the issues well ahead of adoption through a visioning process for better results.
2. Manage the time of expenditures by understanding when increment will come in to eliminate unnecessary risk and have a predictable cash flow.
3. Consider creative uses for TIF-new legislation allows city's to share revenue between performing and non-performing TIF's in a city.
4. Understand TIF flexibility-you may change the project plan and district during the life of the TIF-projects can change anytime while district boundaries may only be changed 4 times during the TIF life.
5. Use development agreements to better predict what will happen in terms of investment and cash flow-start by drafting a 'terms' sheet outlining the provisions the agreement should include.
6. Consider leveraging TIF with other forms of funding-TIF can be a matching source of funds for other grants.
7. Note that there are restrictions in using TIF funding where wetlands are affected.
8. New legislation allows TIFs to be kept open for 1 year after the TIF is officially closed in order to facilitate housing stock revitalization programs throughout the city (outside the



- TIF). The city can pass a resolution to use TIF funds city-wide for this purpose, provided the proper paperwork is filed with the Department of Revenue and projects include 75% affordable housing requirements.
9. Community Development Authorities and RDA's are powerful partners in working with TIF's and can offer expertise, offering creative ideas in the use of TIF.
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