

Economic Development Public Investment Guidelines – 05/06/2025

Introduction

The City of Sun Prairie has established this Economic Development Public Investment Guidelines to encourage exemplary development projects and other activities that provide extraordinary benefit to the vitality, livability, and economic and cultural interests of the Sun Prairie community.

The Common Council has exclusive authority to approve investment requests at its sole discretion. Approval or disapproval of any investment request does not establish precedent for any future requests.

Public investment from the City of Sun Prairie for development or redevelopment projects shall be evaluated according to Wisconsin law and this policy. Variations from these guidelines may be considered for projects that provide extraordinary benefits to the community in terms of tax base, job creation or retention, improvements to public infrastructure, or other advantages to the Sun Prairie economy.

Objectives (not in priority order):

- Improve the quality of life and urban experience in key locations within the community by supporting projects that foster vibrant, inclusive, and engaging spaces.
- Prioritize redevelopment and reuse of blighted and underutilized properties in alignment with adopted City plans and policies.
- Support the development of diverse housing options to improve supply, affordability, and attainability.
- Prioritize affordable housing projects and market-rate housing in key redevelopment areas to address housing needs for all income levels.
- Incentivize the incorporation of renewable energy systems and green building practices into development projects to advance the City's sustainability goals and mitigate climate change impacts.
- Prioritize developments that contribute to significant increases in property values and generate additional tax revenues to benefit the community.
- Ensure projects align with and support the goals and strategies outlined in adopted City plans, particularly the Comprehensive Plan.
- Ensure sufficient increment is available to fund public infrastructure improvements and community enhancement projects as described in City plans and TID project plans.
- Foster the creation and retention of high-quality jobs accessible to individuals of all backgrounds and abilities.
- Facilitate the expansion of the Business Park, including utility extensions, to provide opportunities for economic growth and workforce development.
- Promote the development of walk-in commercial businesses in key areas to enhance convenience and community engagement.

- Provide workforce training initiatives or expand the existing workforce by supporting new training opportunities that increase income potential for residents.
- Support childcare initiatives through the development of new childcare facilities and training programs for childcare professionals to meet community needs.
- Redevelop underutilized properties to reduce environmental impact, optimize land use, and contribute to long-term community sustainability.
- Promote diverse and inclusive development projects that address the needs of underrepresented communities, ensuring equitable access to housing, jobs, and economic opportunities.

Guidelines

1. All tax increment financing (TIF) considerations shall be consistent with the approved Tax Increment District (TID) Project Plan(s), the City's Comprehensive Plan, and any small area plans adopted by the City for a particular neighborhood or corridor.
2. If the City provides TIF investment to developers, it will do so primarily through developer-financed methods (i.e., PAYGO municipal revenue obligations or MRO), to minimize the City's risk whenever possible. When MRO financing alone is not sufficient, the City may consider other investment options on a case-by-case basis.
3. All requests for public investment shall meet the 'but-for' test, clearly demonstrating that a financing gap exists, *there are no other funding sources available*, and that the project cannot proceed without the public investment.
4. The City will prioritize projects that:
 - Are located on underutilized or vacant infill/redevelopment sites vs. greenfield development sites.
 - Include or contribute to the provision of childcare services within the project or immediate area.
 - Include housing units that are affordable to those earning less than 60% of the area median income.
 - Incorporate sustainable building features and green infrastructure, such as renewable energy components or infrastructure, green roof features, pervious pavement, or other similar features.
 - Receive LEED certification or other similar recognition for sustainable building architecture and development practices and features.
 - Expand an existing business that wishes to expand opportunities for its employees within the community.
5. For development projects that will include competitive funding resources allocated by any state or federal agency, the City may evaluate public investment with the standards of the state or federal funding source and work with the developer to increase the chances of securing state or federal funding.
6. The City may require heightened aesthetic design standards for projects requesting public investment.
7. The property owner shall agree not to protest to the Board of Review or Circuit Court the Assessor's determination of the property value for the properties for which the grant is requested for the duration of the provided investment.

8. Projects receiving public investment will be subject to a 'look back' provision. The look back mandates a developer to provide the City or its financial advisor with details of the project's financial performance. If it is determined that returns have exceeded industry expected norms, an adjustment to the public investment package may be required.