



# Proposed Tax Increment Financing District #13





# What is Tax Increment Financing (TIF)?

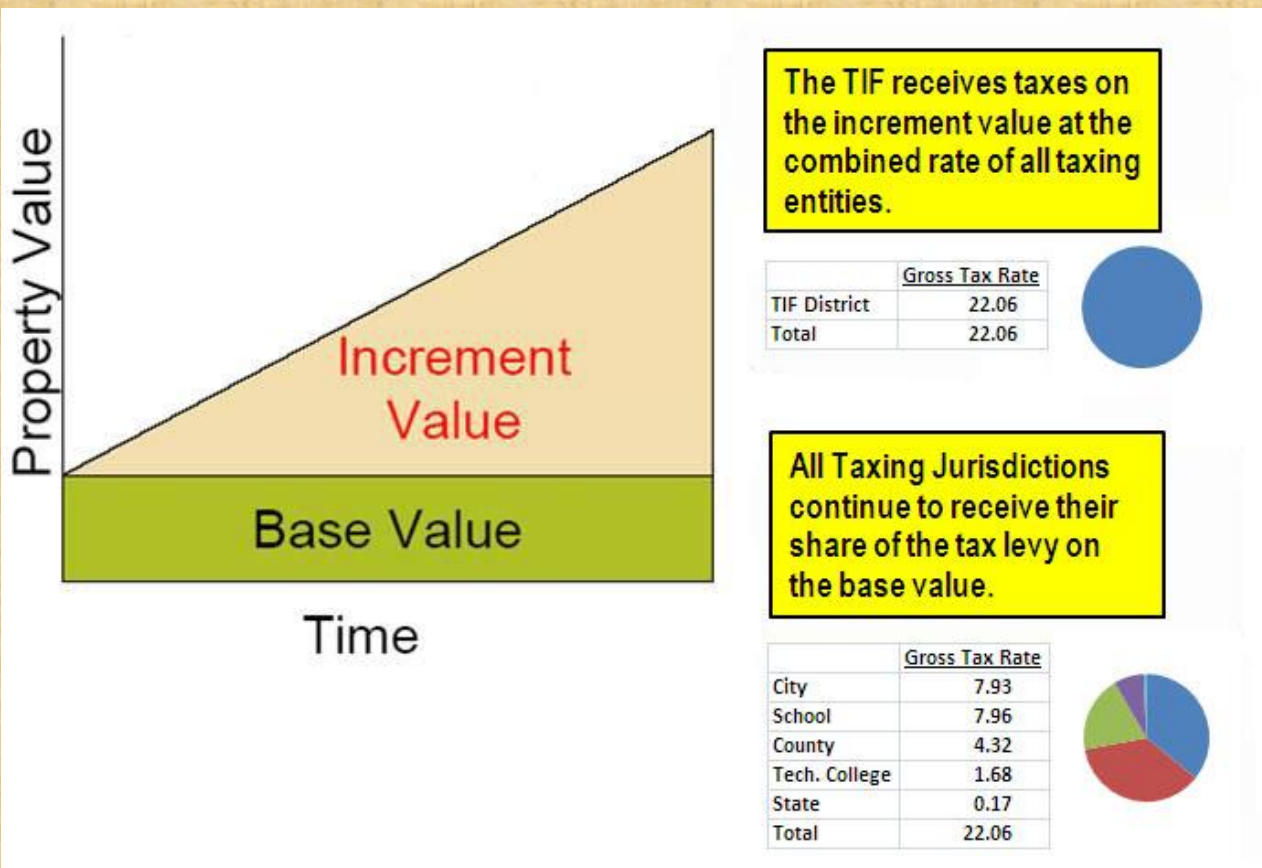
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- TIF is a financial tool Wisconsin municipalities may use to expand the tax base by providing improvements necessary to promote development.
- The funding for making improvements and investing in projects in the District is provided from the increased property tax revenue from the increases in property values.
- Statute Statutes require a “but for” clause to create a District. Meaning, but for a TIF District, this development would not occur.





# How TIF Districts Work





# How TIF Districts Work: Example

## Development Project Example:

- Base Value: \$1,000,000
  - New Construction Value: \$5,000,000
  - Total Value: \$6,000,000
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- Base Values Taxes: \$22,060
    - City: \$7,930
    - School: \$7,960
    - County: \$4,320
    - Vocational/Tech: \$1,680
    - State: \$170
  - Increment Value Taxes: \$110,300
  - Total Taxes Paid: \$132,360

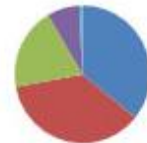
The TIF receives taxes on the increment value at the combined rate of all taxing entities.

	Gross Tax Rate
TIF District	22.06
Total	22.06



All Taxing Jurisdictions continue to receive their share of the tax levy on the base value.

	Gross Tax Rate
City	7.93
School	7.96
County	4.32
Tech. College	1.68
State	0.17
Total	22.06





# Typical TIF District Process

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- A Project Plan is developed by the community creating the District, which defines the project, boundary of the district, costs, financing, economic feasibility, eligibility of community to create a district (limit based on % of equalized value).
- Public notices to all taxing entities, which make up the Joint Review Board.
- Public Hearing at Plan Commission, approval of project plan and boundary.





## Typical TIF District Process, (Continued)

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- Council/Board adopts the boundary and project plan.
- Joint Review Board considers the TIF District proposal and must affirm:
  1. “But for” the TIF, the development would not occur.
  2. The economic benefits of the TIF District are sufficient to compensate for the costs of improvements.
  3. The benefits of the TIF District outweigh the tax increments paid by the taxpayers.
- Department of Revenue must then certify the TIF District.



# Methods of Financing Projects

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## Traditional TIF Investments:

- Community advances the funding for the development on eligible project costs.
- Community repays the debt for projects with annual tax revenues from the increment.

## Developer Financed Projects:

- Community & developer agree on level of investment in project.
- Developer finances the project and is repaid with the annual tax revenues from the increment.



## Plan Commission Role in TIF District

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- Hear public testimony on the proposed boundaries and Project Plan for TIF District #13 (June 28, 2023).
- Consider adoption of the Resolution approving the boundaries and Project Plan, which includes a recommendation to the Common Council to authorize the creation of TIF District #13 (Common Council July 19, 2023)





## Tax Incremental Districts # 13

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# QUESTIONS ???

*“meeting community needs....enhancing quality of life”*