

City of Madison

Suggested TIF Policy Changes by Gary Peterson, AICP

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- I. The 50-50% rule. This is a Large Problem. First, this is an arbitrary rule. Second, it is a rule. Third, nothing in State Law would suggest this is even a good idea, let alone a rule. This rule needs to be totally eliminated and replaced with a policy of developing a great strategy of TIF implementation including financing, activities, boundaries, full use of permitted TIF longevity and in Blight Removal Districts there should be substantial if not complete Blight removal.
- II. Equity Participation. This is a Problem. First it is a rule that turns developers off. Second, it is a rule and a rule that may not be necessary. Third, nothing in State Law would suggest this is even a good idea, let alone a rule. Why chase developers away before it is determined if Equity participation is necessary. If the activity financing indicates the Equity Participation is necessary, so be it. If it is not necessary do not do it. Pay-as-you-go TIFs would never require Equity Participation as the City takes absolutely no risk as it does not participate financially.
- III. Sustainability. This is a positive opportunity to differentiate Madison development from other communities in our region and the State. First, Madison has an adopted policy supporting Sustainable activities. The Policy was adopted in December 2005. This is a major accomplishment and should be used and celebrated. Second, the City has gone much further than an adopted policy. The City has an adopted a second Sustainability Plan in 2011 and a Supplement to the Sustainability Plan in 2012. To my knowledge most of the City's efforts have been directed to City operations with great financial benefits to the tax payer. Now is an opportunity to encourage (not require) the private sector to benefit from the City's efforts. So we are identifying Goals and thus activities TIF funds could pay for. These funds could be expended in a building, on a site, and r off-site if it is related to the project.

I think the City should provide the opportunity (Not require) for development within a TIF District to implement activities in accordance with the two Sustainability Plans reference above. On page 7 of the Plan and page 1 of the Addendum are listed the 7 Natural System Goals. TIF funds should be made available to a developer for activities that implement those Goals. The Plans and particularly the Addendum details provide the guidance as to what would be supported.

The above financial support for the Planning and Design's four Goals should be implemented. Goal 5 of the Transportation section appears to be the most pertinent for developers to use with developments. The 6 Goals for Carbon and Energy would all support improved private development and should be funded.

The Economic Development section has seven Goals all of which could be implemented in private development. Goals 2 and 4 of the Employment and Workforce Section could be supported by TIF funds. Education on Sustainability is very important. Therefore, all the sustainable activities completed in the TIF projects should be well publicized. For Affordable Housing the implementation of Goals 1, 2, 3, 5, and 6 are desirable. Goals 1, 5 and 6 in the Health section could be supported in private sector development with TIF funds. In the Arts Design and Culture section, Goal 2 could be implemented as sustainable art does not need to be confined to City Projects.