

## Summary Report to the City of Madison Joint Review Board

### Tax Incremental District (TID) No. 32 (State St), City of Madison - Use of ½ Mile Rule -

#### Background

The City of Madison Common Council has adopted a modification of the existing Small Cap TIF program currently operating in TID #32 (State St) (File ID No. 34644) on August 5, 2014. This modification of the original Small Cap TIF program (RES-11-00042) would, among other things, allow the Small Cap TIF program in TID #32 to operate in certain expenditure areas within a ½ mile of TID #32. These expenditure areas are shown on the attached map.

TID #32 has multiple generators of tax increments, including 309 W Johnson, University Square, and the Edgewater. The 2014 adopted PCED capital budget authorizes \$332,000 of expenditures for Small Cap TIF loans and façade improvements. TID #32 has sufficient revenues to pay for this program.

The objectives of the amended Small Cap TIF program are the elimination of blighting influences and the conversion of rental properties into long-term owner-occupied residences.

Based upon the current incremental value in TID #32, the overall city tax rate, the valuation within TID #32, and TID #32's outstanding debts, Staff believes that TID #32 will still close in 2017 if this expenditure of \$332,000 is approved.



