

MEMORANDUM

TO: City of Madison Joint Review Board

FROM: Joe Gromacki, TIF Coordinator
Dan Rolfs, Real Estate Development Manager
Terrell Nash, Real Estate Development Specialist

DATE: October 9, 2024

SUBJECT: 2024 Joint Review Board Annual Report

In 2016, the State of Wisconsin passed Act 257, requiring all municipalities to submit an annual report for each existing Tax Increment District (TID) to the overlying taxing jurisdictions. This cover memo provides a brief overview of 2024 the annual report. There are multiple attachments to this annual report. They include:

- TID Value changes – This report is provided by the State of Wisconsin Department of Revenue (DOR). This report outlines the value changes for each TID. Note that these reports are provided based upon school district boundaries, so there are separate reports for TIDs that cross school district boundaries.
- TIF 12% test – This report is provided by the DOR. It provides values for each TID, and notes where the City is in relation to the 12% test (note: a municipality may only have a maximum of 12% of its equalized value within all of its TIDs). In 2024, the City of Madison has 4.83% of its total equalized value within TIDs. This represents a decrease from 2023, when the City had approximately 4.95% of its total equalized value within TIDs. This decrease is due to decreases within the TIDs Base Value reductions in 2024 due to WI legislature eliminating Personal Property Values, as well as the closure of TIDs 29, 39 and 47. All TIDs in the City of Madison, including the newly created TIDs 51, 52, 53, and 54, saw increases in value from 2023 to 2024. Additionally, TIDs 29, 39, and 47 were closed in 2024. The final total values and their increase or decrease from 2023 to 2024 is shown on the “Statement of Changes in TID Value” reports from the WI Dept. of Revenue attached to this report.
- Values and Increments – This report is generated by the City of Madison’s Finance Department, based upon information from DOR. It identifies the 2024 incremental values for each active TID and the estimated incremental revenue for each TID.
- Audits – By TIF Law, the City of Madison is required to conduct an annual audit of each TID. Staff has attached the audits for each active TID in the City of Madison. These audits provide an in depth look at the financial status of each TID.

TID Closures

In 2024, the City closed TID 29, 39 and 47. In 2023, the City authorized the extension of TIDs 39 and 47 for one additional year for the purposes of collecting one year of increment for the purposes of funding affordable housing. This additional year of increment collection for TIDs 39 and 47 was done in anticipation of their closure in 2024.

TID Creations & Amendments

In 2024, the JRB has approved project plan amendments to TID 36, 42, 44, 45, 48, 52, 54, and a project plan and boundary amendment to TID 50.

TID Metric

In 2019, City of Madison TIF Staff developed a TID metric. This TID Metric includes measures to help measure the health of the City's TIF districts. Staff uses this Metric to provide an overview to policy makers in the future as to the health of TIDs, whether or not they can be utilized to fund public projects, and to provide guidance upon estimated closure dates for each TID. TIF Staff will provide an overview of the current TID Metric at the Joint Review Board Annual Meeting.

Grant Agreements

As required by State of Wisconsin TIF Law, the City of Madison is providing the JRB with copies of all agreements wherein TIF funds were provided as a grant. These agreements can be found as attachments to this report.