

Rolfs, Daniel

From: Susan Pastor [skpastor@sbcglobal.net]
Sent: Thursday, August 01, 2013 2:55 PM
To: Gromacki, Joseph; Rolfs, Daniel
Subject: Thank you for the excellent presentation to TIF Committee
Attachments: TIF comments.docx

Dear Mr. Gromacki and Mr. Rolfs,

I'm attaching my comments to this afternoon's TIF Review Committee in which I cite your excellent presentation to the committee last month.

The proposed changes substitute articles of faith for data and evidence. I'm not surprised, though I am saddened, that Madison would even consider joining the long line of municipalities competing to give away the most. (My close friend Tami Friedman studies and is writing a book on the ways in which some elements of the business community deployed propaganda to equate the public interest with those give-aways.)

It was great to hear and learn from your presentation, and I appreciate your work.

Thanks and best,
Sue Pastor
2502 Green Ridge Drive

- **The proposed policy creates a new justification for extending TIF, the existence of "competitive factors."** This is bad. These are mentioned in several places, and basically mean that a developer or business could play off Madison and other communities in a bid-raising game. This language should not be included and definitely should not be substituted for the "but for" standard -- (except for TIF, the project would not be feasible). City planning staff indicate this is not needed and would be detrimental.
- **The new policy creates justification for TIF at higher amounts, without higher public benefit.** There is no mention of community benefits in the new policy. Instead, the Economic Development Committee has narrowly defined "strategic need and civic purpose", and argued that projects fitting this definition may "warrant more aggressive TIF assistance." What they use as justification for exceeding the 50% limit on the amount of increment to be generated that can be available to the project is definitely not in the broad public interest. They are representing a narrow slice of our community and trying to define those interests as everyone's:
- Projects that serve a "strategic need" or "important civic purpose" are defined in new policy as "capturing or retaining a critical major employer", "creating a highly visible project conveying a distinct brand (seriously) advantage to Madison" and "public-private partnership incorporating or complementing a significant public facility." The new policy basically says to applicants that the sky is the limit, not 50 % of the increment. **While exceptions could certainly be made, for example in line with strong community benefits, the 50% rule should be retained. The new policy even states that a project could only use 100 percent or more of the increment in "extraordinary cases". That is unacceptable.** Imagine the struggles over what is "extraordinary"!
- **The teeth of the "but for" standard are removed in the new policy, and the "but for" standard should be retained.** Not only does a business' claim that it is being wooed by other communities meet the standard in the new policy, but TIF applicants are not required to demonstrate that other possible sources of funding have been exhausted. The proposed policy states that the "balance sheet" or "wealth of an applicant" shall not be considered grounds for rejecting an application.
- **We need to strengthen our commitment to attracting jobs that pay a living wage, but the new policy weakens it.** In the existing policy, TIF is supposed to be a way for us to attract jobs, housing and a full complement of goods and services to blighted or underserved neighborhoods. TIF objectives include "Job Creation in High Need Areas". The new policy changes this to "fostering the creation and retention of family-supporting jobs and jobs that offer career ladders toward family-supporting jobs." What are those jobs that offer "career ladders?" Who will follow up and ascertain that people have been able to climb that career ladder, and that this is not a justification for using public money to support companies that don't pay a living wage? The proposed policy eliminates the set-aside for affordable housing and defines market rate housing as eligible for TIF, again with no link to community benefits.

The city cannot support an infinite number of projects receiving TIF. Staff offer a convincing argument that the current policy has led to sound fiscal management and mostly healthy TI Districts, though not the creation of good jobs and affordable housing. The proposed policy weakens the fiscal strength of the current one, while doing nothing to address affordable housing and good jobs. We don't need a new policy. **We need a conversation about community benefits that is broadly inclusive of labor, the school district and the lower income residents of the city. Meanwhile, there is no evidence beyond the anecdotal or persistent beliefs that our existing policy hinders us in relation to the suburbs. In fact, the evidence as presented at your July 9 meeting is that we are financially healthier based especially on debt service in the budget.**

--Sue Pastor, 2502 Green Ridge Drive