

Introduction to a South Madison TIF Funding Strategy

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Challenges

- ▶ The Final Attachment of the Town of Madison occurs in 2022. It will require significant infrastructure improvements (Streets, Storm Water, Traffic Engineering, etc.) that are currently being quantified.
- ▶ There is a high risk of housing displacement in the attached Town property (Rising Property Taxes, City Building Code Enforcement, Gentrification, Large Low-Moderate Income Community).
- ▶ Revitalization efforts in TID #38 (Badger Ann Park) and TID #40 (North Side) that utilized borrowing, did not succeed as planned. G.O. borrowing was hampered by poor value growth. TID#27 (West Broadway) took 21 years to recover its borrowing.
- ▶ Donor TIDs were required to recover cost in both TIDs #38 and #40.



Solution

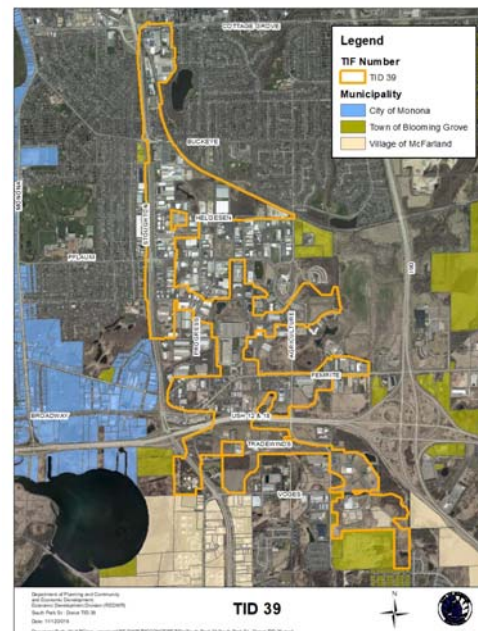
Utilize healthy TIDs that are on the verge of repaying their existing debt obligations to fund expected costs.

- ▶ Donate excess tax increment from healthy TIDs into South Madison TIDs in lieu of borrowing
- ▶ When growth picks up pace, TID may begin to borrow its own funds

South Madison TIF Strategy – (Phase I)

Phase I of this plan is implemented from 2020-2024 donating excess tax increments from TID 39 (Stoughton Road) to TID #42 (Wingra).

Donor TID



Recipient TID



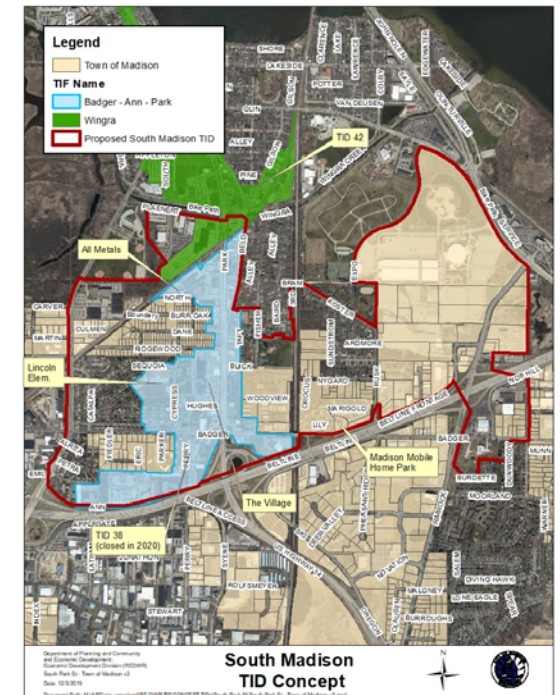
South Madison TIF Strategy-(Phase II)

Assuming no additional spending in TIDs 36, 37, and 42, Phase II would donate excess tax increment to a new South Madison TID (red boundary) over the period of 2023-28.

Donor TIDs



Recipient TID





Proposed Timeline

- 2020** Amend TID 39 & 42 Project Plans, Implement Donor-Recipient plan
Finalize South Madison capital costs and revitalization programs
Close TID #38 (Badger-Ann-Park)
- 2022** Final Attachment of Town of Madison
- 2023** Create South Madison TID
Implement Donor-Recipient plan for TIDs 36,37 and 42 and South Madison TID
- 2023 (and Beyond)**
Monitor Donor TIDs and South Madison TID performance
Leverage other funds—Opportunity Zone, NMTC, AHI, LIHTC, PACE, etc..

Questions or Comments