

# TIF POLICY REVIEW AD HOC COMMITTEE PRESENTATION

July 9, 2013 (Joe Gromacki and Dan Rolfs, AICP,  
Committee Staff)

# City of Madison TIF Program – By the Numbers (2012)

2

- In 2012 alone, the City of Madison leveraged \$103 million of new value in five projects
- This value was leveraged with \$8.5 million of TIF



UW Digestive Health Clinic

Wingra Clinic



Constellation



# Adopted City of Madison TIF Policy – By the Numbers (1999-2013)

3

- TIF Loans - \$30 million
- New Value - \$324 million
  - (Note: \$324 million is only project value and does not include spin-off growth)

University Square



Capitol West



Madison Mark

# Adopted City of Madison TIF Policy – By the Numbers (1999-2013)

4

- Last 14 years with TIF Policy
  - Requests - \$48 million
  - TIF Loans - \$30 million
  - Savings (in 2013 dollars) - \$20 million
  - Jobs Created – 321
  - Jobs Retained – 952

*NOTE: job #'s only reflect those projects that had specific jobs reported and do not include construction and other unreported jobs.*

FGC – 120 jobs  
created / retained



Arbor Gate – 500  
jobs created /  
retained

FE Petro – 128  
jobs created /  
retained



# City of Madison TIF Program – By the Numbers (1979 – 2013)

5

## □ 1979 – 2013

- Total TIF Loans - \$103 million
- New Value - \$1.3 billion
- Infrastructure Investment - \$91 million

Franklin Condos



MLK, Jr. Blvd Improvements

Mullins Plaza



# Adopted TIF Policy

6

- Protects the tax-payer and overlying taxing jurisdictions by:
  - 50% Rule
    - Ensures sufficient revenue in the case of a downturn
    - Reserves funds for City infrastructure
  - Requires a personal guaranty
  - Requires a project to be self-supporting
  - Sets clear, objective standards for TIF loans

# Surrounding Communities

7

- **Surveyed (2003-2013):**
  - ▣ Sun Prairie, Fitchburg, Middleton, Waunakee, Verona, DeForest
- **No TIF Policies**
- **Total loans / grants - \$23 million (excluding Verona)**
  - ▣ New value - \$208 million (excluding Verona)
- **Infrastructure expenditures**
  - ▣ Surveyed communities fund infrastructure that Madison currently assesses to property owners

# Madison vs Suburbs (2003 – 2013)

8

- Total Loans - \$25 million
- New Value - \$269 million
- Infrastructure assessment policy
- Total Loans - \$23 million
- New Value - \$208 million (excluding Verona)
- Pay for some or all infrastructure costs

# Madison vs Suburbs

- The fast growth strategy of the suburbs requires them to increase their debt load and take on new operating costs to pay for new infrastructure and services.

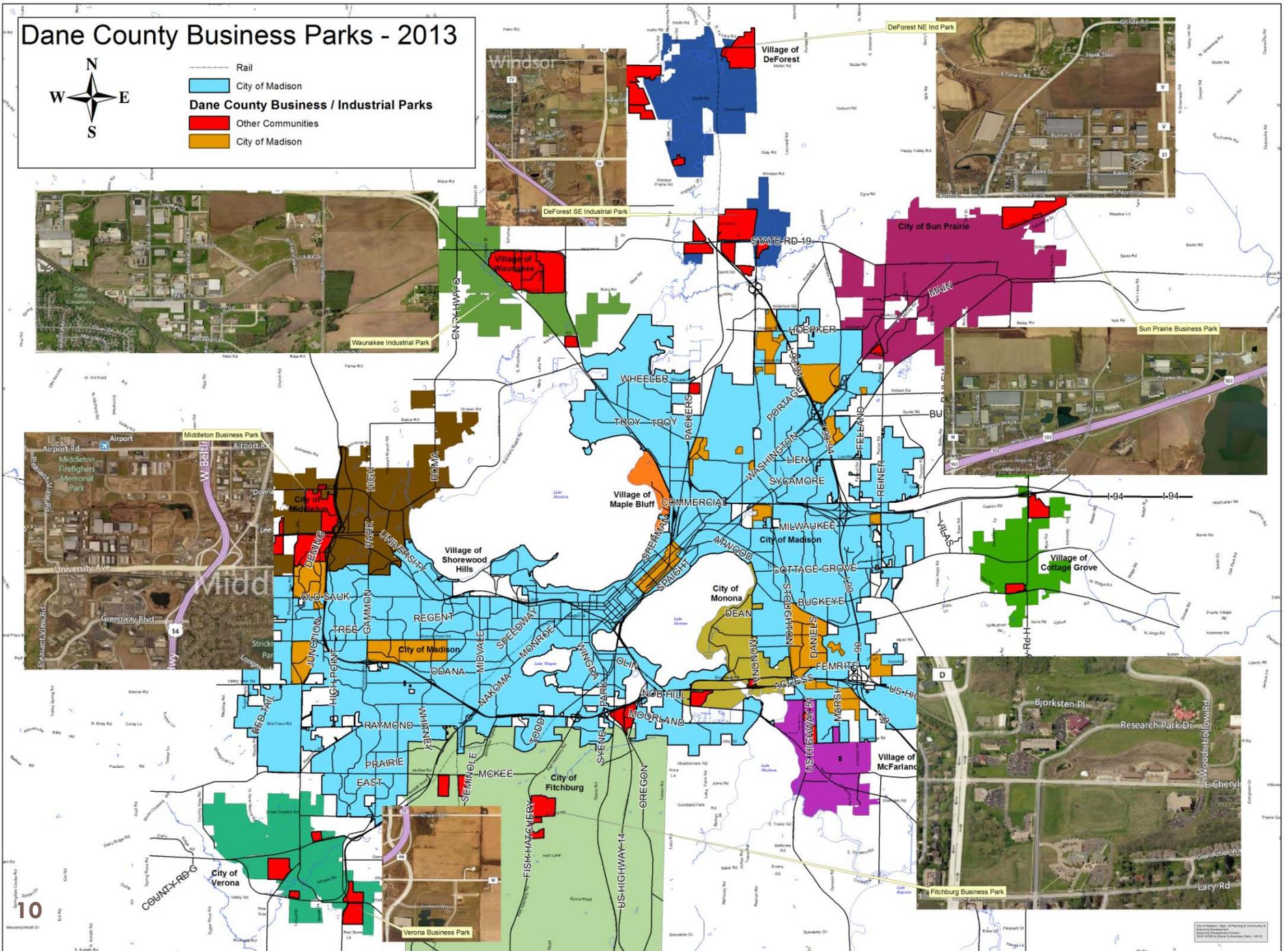
City	2013 Budget			2012 TID Increment as Share of Total Equalized Value (12% Maximum)
	General and Debt Service Fund Expenditures	General Fund-Related Debt Service	Debt Service Share of Total Expenditures	
Madison	253,284,429	34,431,480	13.6%	1.85%
Fitchburg	16,604,766	2,450,411	14.8%	5.68%
Middleton	21,107,597	3,777,320	17.9%	14.70%
Sun Prairie*	27,855,117	6,399,403	23.0%	3.76%
Verona	8,607,925	1,904,925	22.1%	21.03%

(Data compiled by City of Madison Finance Dept.)

# Dane County Business Parks - 2013



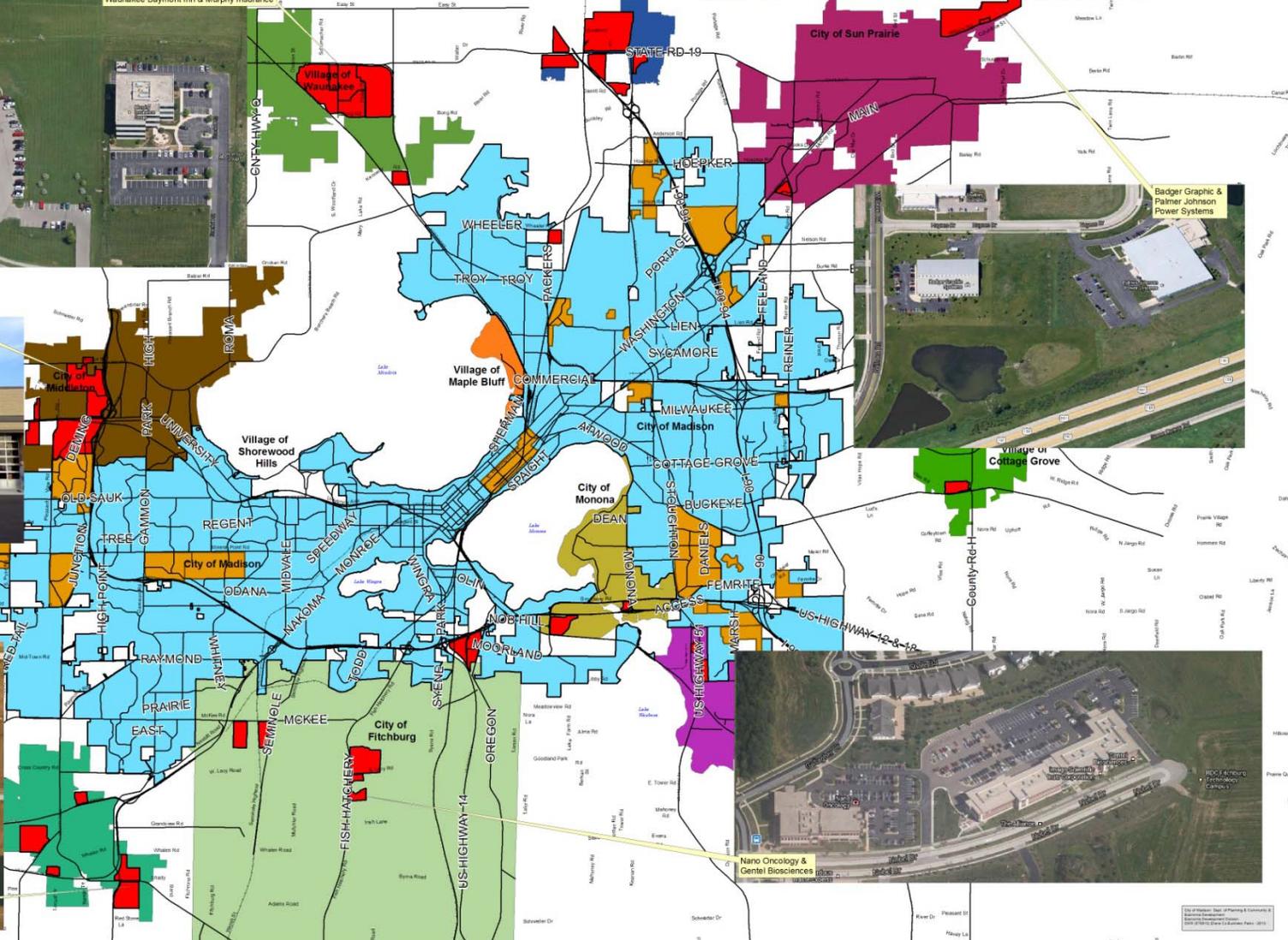
-  Rail
-  City of Madison
- Dane County Business / Industrial Parks**
-  Other Communities
-  City of Madison



# Dane County Business Parks - 2013



-  Rail
-  City of Madison
- Dane County Business / Industrial Parks**
-  Other Communities
-  City of Madison



**MIXED USE DISTRICTS**  
 NUU Neighborhood Mixed Use  
 CUU Community Mixed Use  
 RDU Regional Mixed Use

**COMMERCIAL EMPLOYMENT DISTRICTS**  
 CC General Commercial  
 CC-1 Regional Commercial  
 CC-2 Employment  
 CC-3 Industrial

**DOWNTOWN DISTRICTS**  
 D-1 Downtown Core  
 D-2 Urban Street  
 D-3 Transit Station  
 D-4 City Station  
 D-5 Residential Sub-Districts  
 D-6 Urban Street  
 D-7 Office-Street  
 D-8 Student High-Rise  
 D-9 Langdon Hill  
 D-10 Downtown Hill  
 D-11 First Settlements/OM Market Place

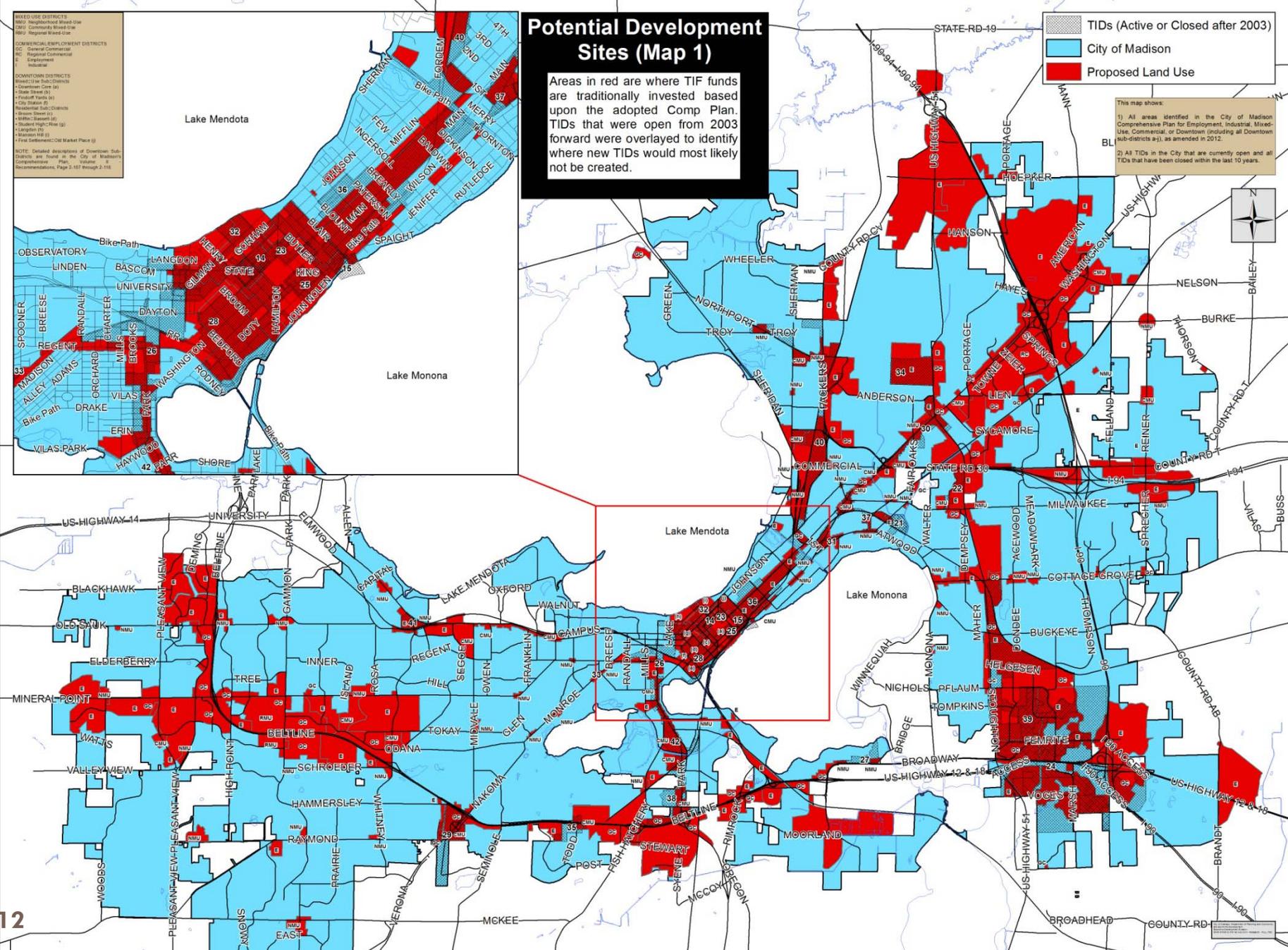
NOTE: Detailed descriptions of Downtown Sub-Districts are found in the City of Madison Comprehensive Plan, Urban Districts Recommendations, Page 2.107 through 2.118.

## Potential Development Sites (Map 1)

Areas in red are where TIF funds are traditionally invested based upon the adopted Comp Plan. TIDs that were open from 2003 forward were overlaid to identify where new TIDs would most likely not be created.

 TIDs (Active or Closed after 2003)  
 City of Madison  
 Proposed Land Use

This map shows:  
 1) All areas identified in the City of Madison Comprehensive Plan for Employment, Industrial, Mixed-Use, Commercial, or Downtown (including all Downtown sub-districts a-i), as amended in 2012.  
 2) All TIDs in the City that are currently open and all TIDs that have been closed within the last 10 years.



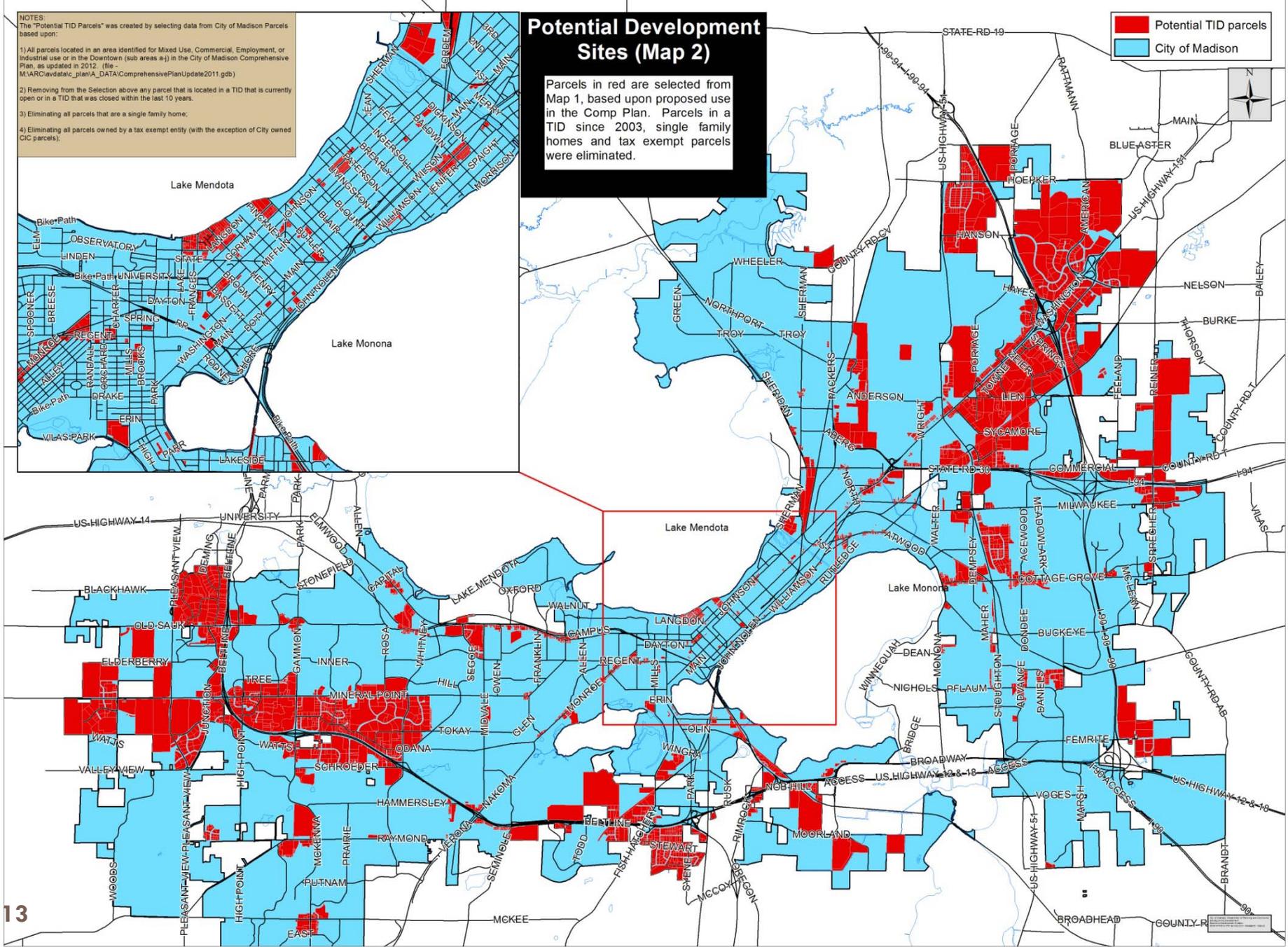
**NOTES**  
 The "Potential TID Parcels" was created by selecting data from City of Madison Parcels based upon:

- 1) All parcels located in an area identified for Mixed Use, Commercial, Employment, or Industrial use or in the Downtown (sub areas a-j) in the City of Madison Comprehensive Plan, as updated in 2012. (file - M:\ARC\avdata\ic\_plan\_A\_DATA\ComprehensivePlanUpdate2011.gdb)
- 2) Removing from the Selection above any parcel that is located in a TID that is currently open or in a TID that was closed within the last 10 years.
- 3) Eliminating all parcels that are a single family home.
- 4) Eliminating all parcels owned by a tax exempt entity (with the exception of City owned CIC parcels).

## Potential Development Sites (Map 2)

Parcels in red are selected from Map 1, based upon proposed use in the Comp Plan. Parcels in a TID since 2003, single family homes and tax exempt parcels were eliminated.

■ Potential TID parcels  
■ City of Madison

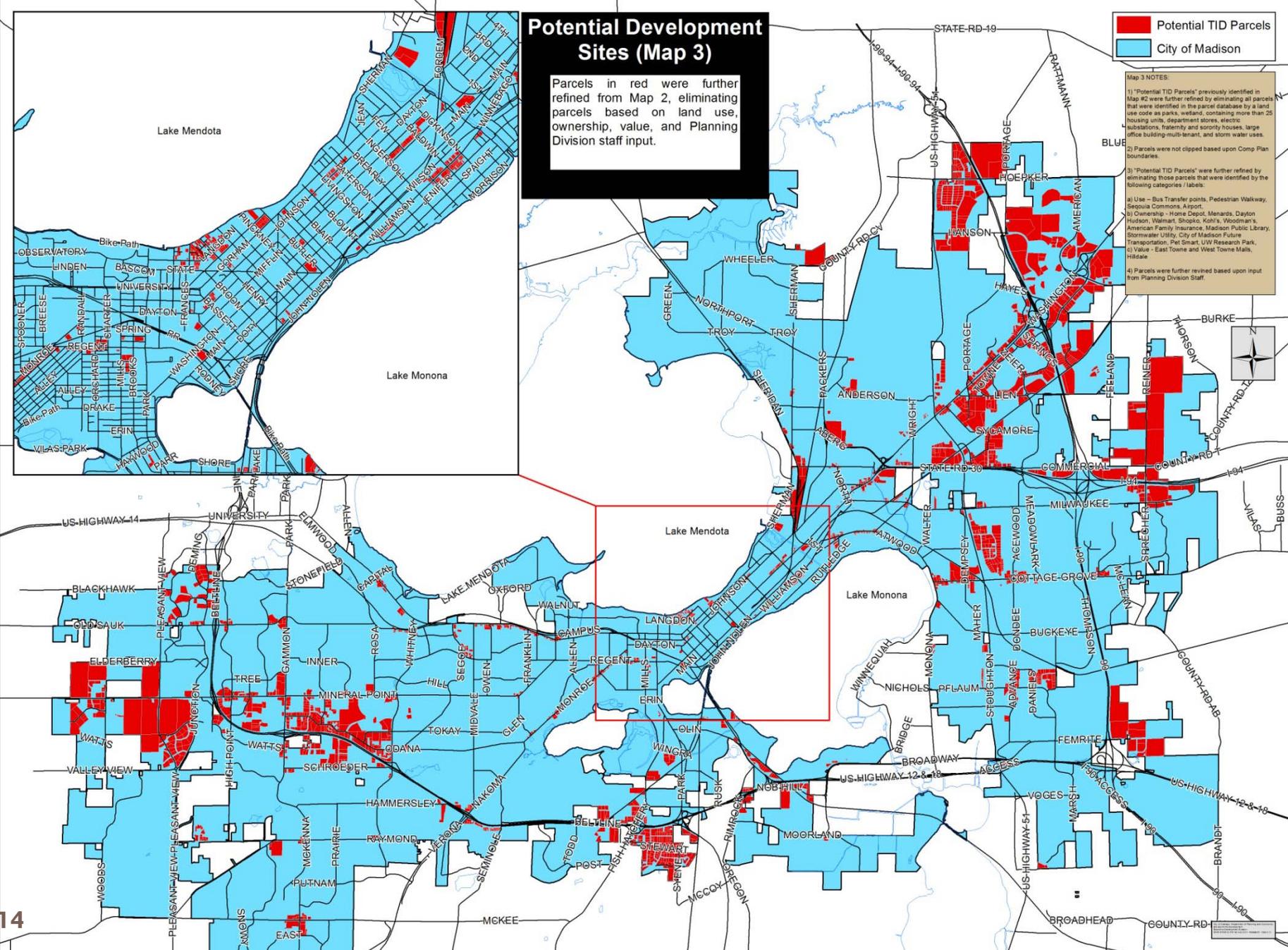


# Potential Development Sites (Map 3)

Parcels in red were further refined from Map 2, eliminating parcels based on land use, ownership, value, and Planning Division staff input.

■ Potential TID Parcels  
■ City of Madison

- Map 3 NOTES:
- 1) "Potential TID Parcels" previously identified in Map #2 were further refined by eliminating all parcels that were identified in the parcel database by a land use code as parks, wetland, containing more than 25 housing units, department stores, electric substations, fraternity and sorority houses, large office building-multi-tenant, and storm water uses.
  - 2) Parcels were not clipped based upon Comp Plan boundaries.
  - 3) "Potential TID Parcels" were further refined by eliminating those parcels that were identified by the following categories / labels:
    - a) Use - Bus Transfer points, Pedestrian Walkway, Sequoia Commons, Airport.
    - b) Ownership - Home Depot, Menards, Dayton Hudson, Wal-Mart, Shopko, Kohl's, Woodman's, American Family Insurance, Madison Public Library, Stormwater Utility, City of Madison Future Transportation, Pet Smart, UW Research Park.
    - c) Value - East Towne and West Towne Malls, Hilldale
  - 4) Parcels were further revised based upon input from Planning Division Staff.



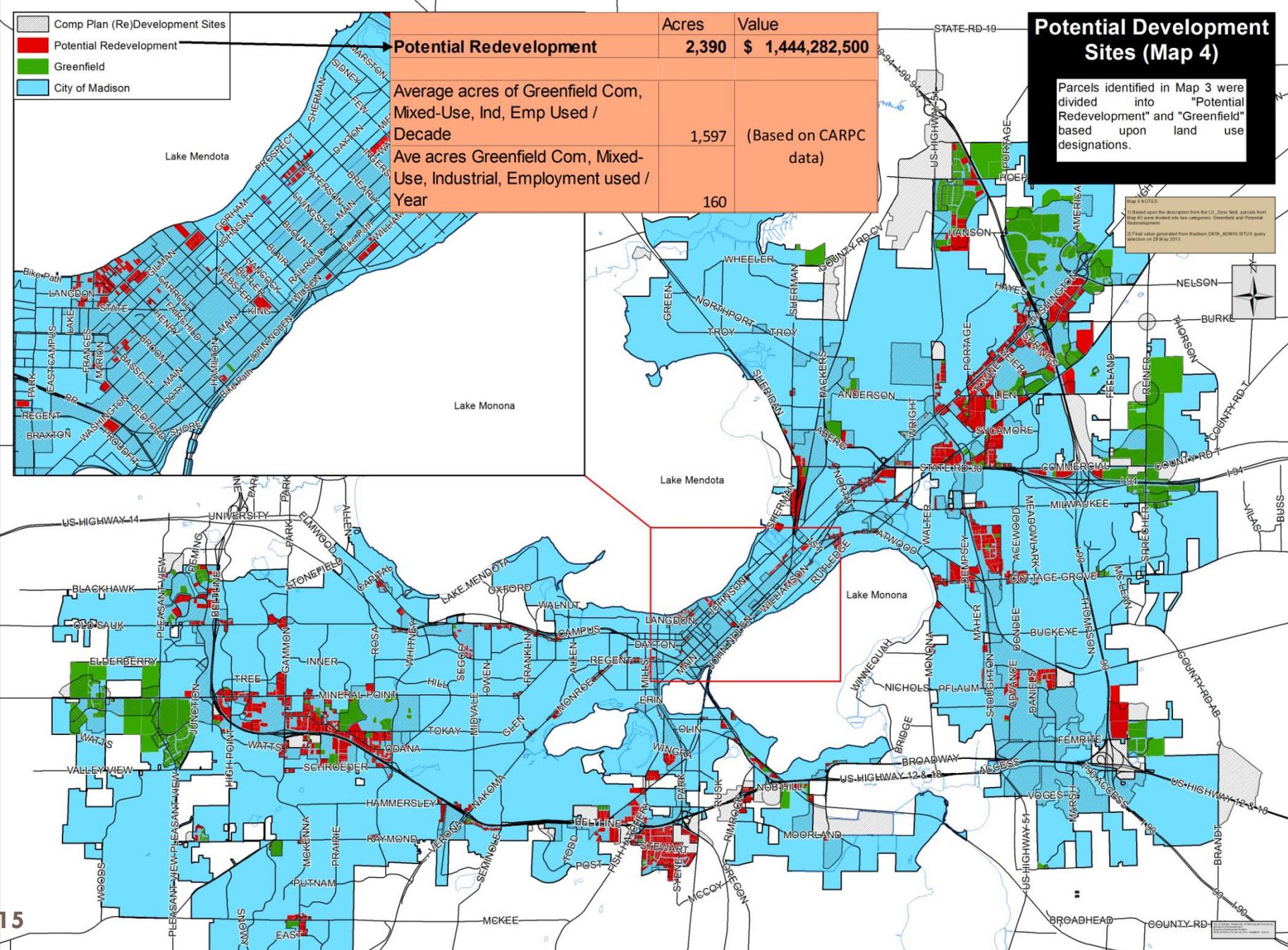
-  Comp Plan (Re)Development Sites
-  Potential Redevelopment
-  Greenfield
-  City of Madison

	Acres	Value
<b>Potential Redevelopment</b>	<b>2,390</b>	<b>\$ 1,444,282,500</b>
Average acres of Greenfield Com, Mixed-Use, Ind, Emp Used / Decade	1,597	(Based on CARPC data)
Ave acres Greenfield Com, Mixed-Use, Industrial, Employment used / Year	160	

**Potential Development Sites (Map 4)**

Parcels identified in Map 3 were divided into "Potential Redevelopment" and "Greenfield" based upon land use designations.

Map 4 NOTES:  
 1) Based upon the description from the UZ\_Disc field, parcels from Map 3 were divided into two categories: Greenfield and Potential Redevelopment.  
 2) Fair value generated from Madison DATA\_ADMIN STUS query selection on 28 May 2013.



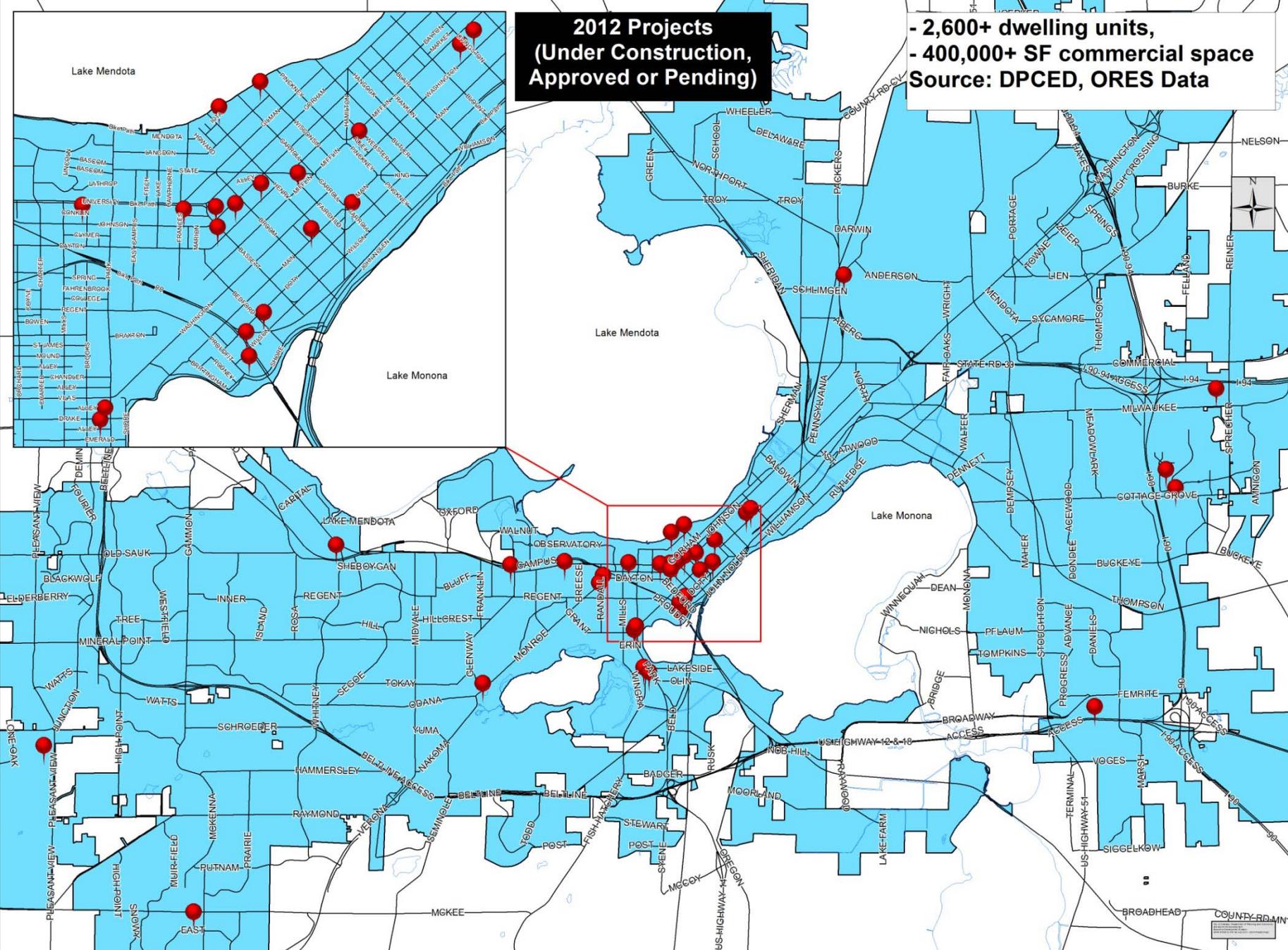
# City-wide Development

16

- Strong construction numbers:
  - ▣ Over 2,600 new dwelling units under construction, approved, or pending
  - ▣ Over 400,000 SF of commercial space under construction, approved, or pending
- City assessment policy does not permit the City to pay all infrastructure costs, unlike surrounding communities

**- 2,600+ dwelling units,  
- 400,000+ SF commercial space  
Source: DPCED, ORES Data**

**2012 Projects  
(Under Construction,  
Approved or Pending)**



18

## Thank you

Joe Gromacki (TIF Coordinator)

Dan Rolfs, AICP (Community Development Project  
Manager)