

**CITY OF MADISON
INTERDEPARTMENTAL
CORRESPONDENCE**

TO: Mayor David J. Cieslewicz and
Members of the Common Council

FROM: Joe Gromacki, TIF Coordinator

DATE: **May 10, 2005**

SUBJECT: **ID #01102: Staff Report Concerning the Communication from T. Wall
Regarding TIF District #34**

On April 19, 2005, the Common Council requested a staff report concerning Terrence Wall's request to either amend TID #34 (Covance) or create a tax incremental district (TID) that includes the Mr. Wall's Center for Industry and Commerce (CIC) project. According to TIF Law, in amending or creating a TID, the City must demonstrate that "but for" TIF the project could not be built. That is not the case with the CIC project for the reasons to follow:

In 2003, the City of Madison selected Mr. Wall to purchase, develop and sell the City-owned 161 acre Northeast Industrial Property (now CIC) from among other developers through a Request for Qualifications process. To date, Mr. Wall has executed a development agreement with the City, platted and rezoned the entire 161 acres, purchased 54 acres, had public infrastructure installed and sold parcels, at a profit, to industrial users. CIC's land sales and asking prices are equal to or competitive with other Madison industrial land parks. Other developers, including Brigham/Rice, Tancho and McAllen, have or are in the process of developing industrial parks within the immediate vicinity of CIC without TIF assistance.

This evidence does not support the developer's assertion in subsequent phases that "but for" TIF, CIC would be unable to develop and sell industrial land competitively. Staff therefore concludes that the CIC project does not meet the "but for" standard established in Wisconsin TIF Law (66.1105 Wis. Stats.) as precedent for either the amendment of existing TID #34 (Covance) or the creation of a new TID.