

## MEMORANDUM

TO: City of Madison Joint Review Board

FROM: Joe Gromacki, TIF Coordinator  
Dan Rolfs, Community Development Project Manager

DATE: August 26, 2019

SUBJECT: 2019 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 the annual report. There are multiple attachments to this annual report. They include:

- Preliminary TID Value changes – This report is provided by the State of Wisconsin Department of Revenue (DOR). This report outlines the preliminary 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 preliminary 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 2019, the City of Madison has 3.58% of its total equalized value within TIDs. This represents an increase from 2018, when the City had approximately 2.68% of its total equalized value within TIDs. This increase is due to large increases in value in TIDs 37, 45, and 46. With the exception of TID #36 (a 3% decrease, or \$13M), all TIDs in the City of Madison saw an increase in value from 2018 – 2019. The final total values and their increase or decrease from 2018 to 2019 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 preliminary 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 2019, the City of Madison did not close any TIDs. In 2020, the City anticipates closing TID #38, pending donation of tax increment from TID #35 and #41. The City anticipates authorizing TID #35 to stay open for one additional year to fund affordable housing, as provided for in TIF Law, and then closing it in 2021.

In 2020, TID #39 will recover all of its outstanding debts, assuming there are no other large expenditures. Assuming the Common Council authorizes it to stay open for an additional year to fund affordable housing, it would also close in 2021.

### **TID Metric**

City of Madison TIF Staff have developed a TID metric, as shown in the City's annual TIF Booklet publication. This TID Metric includes measures to help measure the health of the City's TIF districts. Staff will use 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 TID Metric at the Joint Review Board Annual Meeting.