

## MEMORANDUM

TO: City of Madison Joint Review Board

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

DATE: September 23, 2022

**SUBJECT: 2022 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 2022 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 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 2022, the City of Madison has 4.91% of its total equalized value within TIDs. This represents an increase from 2021, when the City had approximately 4.83% of its total equalized value within TIDs. This increase is due to large increases in value in TIDs 36, 37, 39, 42, and 46, along with the creation and realization of increment in TID 48. All TIDs in the City of Madison, except TID 45, saw an increase in value from 2021 to 2022. The final total values and their increase or decrease from 2021 to 2022 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 2021, the City closed TID 38. In 2022, the City of Madison closed TID 25 and TID 35. Each TID was held open one additional year to collect one year of tax increment to be used to develop affordable housing and improve housing stock, as allowed by TIF Law. Additionally, in 2022, TID 29 and TID 47 recovered all of their outstanding debts. The City of Madison Common Council then authorized each of these TIDs to remain open one additional year to collect tax increment to develop affordable housing and improve housing stock, as allowed by TIF Law. The City of Madison will move to close both TID 29 and TID 47 in 2023.

In 2022, the JRB approved project plan amendments to TID 36, 39, 42. The JRB also approved the creation of TID 50, and the creation of TID 49. In 2021, the City created TID 49, but inadvertently notified the Madison Metro School District, instead of the McFarland School District. This required starting the creation process over in 2022. The JRB also approved a project plan and boundary amendment to TID 45.

**TID Metric**

In 2019, City of Madison TIF Staff developed a TID metric. This TID Metric includes measures to help measure the health of the City's TIF districts. Staff 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 current TID Metric at the Joint Review Board Annual Meeting.