

**CITY OF MADISON
INTERDEPARTMENTAL
CORRESPONDENCE**

TO: Plan Commission
FROM: Joe Gromacki, TIF Coordinator
DATE: August 28, 2006
SUBJECT: **Proposed Language Additions to TIF Policy Draft**

On August 21, 2006 Plan Commission members recommended that the following language be added to the TIF Policy draft dated June 20, 2006 as their report concerning the draft TIF Policy:

1. **Definition of Speculative Office** — Section 1.2 (a) after “Speculative Office Development” add the following language:

“defined as projects that have not secured anchor tenants.”

2. **TIF Application Fee** — Section 2.1 (a), subparagraph (4), after “April 15” insert

“with a TIF Application fee of ½ of a percent of the amount of TIF assistance requested.”

3. **TIF Application Fee** – Section 2.1 (a), subparagraph (5) after “non-refundable” insert

“upon submission of the initial TIF Application or initial spreadsheet(s) representing a request for TIF assistance.”

4. **Interested Party Registry** – Section 2.3 add new subparagraph (g):

“(g) The City of Madison shall create and maintain a TIF Interested Party Registry for each current and proposed TID, administered by the City Clerk, of interested parties that subscribe to the registry for that current or proposed TID. Said interested parties shall either reside, operate a business, or own property in the City of Madison but are not required to reside, operate a business or own property within the proposed district or its proposed amended boundary. Notification of registry members shall occur as follows:

The Clerk shall deliver via electronic or regular mail one of the following:

- 1) **A notice of public hearing regarding the creation or amendment of a particular TID boundary or project plan.** This notice shall be distributed on or about the day of the first publication of the Class 2 notice. The TIF Coordinator shall notify the Clerk in advance.
 - 2) **A notice of a scheduled neighborhood meetings regarding specific implementation of TID project plan objectives.** Appropriate DPD staff shall notify the Clerk in advance.
 - 3) **A notice of public hearing concerning the Mayor’s Executive Budget.** The Mayor’s Office shall notify the Clerk in advance whenever TIF expenditures are proposed in the budget.
5. **Developer Mailings** – Section 2.1 (a), subparagraph (6), subject to legal review by the City Attorney, after the last sentence, insert

“Developers seeking a TID amendment or creation as part of their application shall pay for the cost of all mailings pertaining to the TID. See TIF Policy 2.3 (h) Developer Mailings for Single Purpose TID Creation or Amendment.”

6. Developer Mailings – Section 2.3 add new subparagraph (h):

“(h) Developer Mailings for Single Purpose TID Creation or Amendment - Upon demonstrating a “but for” condition satisfactory to the TIF Team, Board of Estimates and Common Council, developers requesting either the creation or amendment of a TID for the purpose of providing their proposed project with TIF assistance shall be required to pay for the cost of mailing the blight notification letters and other mailings to property owners within the TID that are deemed necessary and appropriate by the district alder or alders for the purpose of fully informing the public of the amendment or creation of the TID.”

7. BOE TIF Recommendation Report – Section 2.1 (a), subparagraph (7) after “closed session” insert:

“Prior to the closed session meeting, the TIF Team shall provide the developer with a written report of its recommendation including: 1) the amount of the TIF request 2) the amount of TIF (if any) recommended and 3) a general statement of comments or issues concerning the project and its conformance to TIF Objectives and Policy. Said report shall be made available to the public, attached to the Board of Estimates agenda, as an electronic document.”

8. Withholding of TIF Assistance for IZ Units — Section 3.1 insert as a new subparagraph (d) the following:

“(d) Withholding of TIF Assistance for IZ Units. At closing, the City shall withhold the amount of TIF assistance that is attributable to gap caused by reducing the sales prices of owner-occupied IZ housing units such that the unit cost equals or exceeds sales revenue. Upon sale of each IZ unit to a qualified homebuyer, the City shall release a pro rata share of said IZ TIF assistance to the developer per unit. The developer shall not receive TIF assistance for those IZ units that are sold as market rate after the time period prescribed in the City’s IZ Ordinance.”

9. Annual TIF Report — Section 2.3 add new subparagraph (i):

“(i) Annual TIF Report – The Comptroller shall oversee and submit an annual report to Council assisted by information provided by Engineering and Planning & Development concerning each active TID: 1) the financial position of each TID 2) progress of implementation of infrastructure improvements and 3) TIF assistance to private development.”

NEW ITEM NOT DISCUSSED AT LAST MEETING

In order to clearly indicate all the important steps of the TIF Application process the following language should also be considered for inclusion in the TIF Policy document under Section 2.1 TIF Application Process. It concerns a term sheet, signed by the developer, agreeing to the TIF loan terms and conditions. It is typically received before a funding resolution is drafted for Council consideration to ensure that the developer fully understands City requirements.

10. Term Sheet—Section 2.1 Add new subparagraph (8):

“(8) Term Sheet—Upon approval by the Board of Estimates, staff shall provide developer with a term sheet indicating the loan terms, conditions and applicable ordinances required by the City of Madison for providing TIF assistance. Staff shall draft a funding resolution upon receipt of a signed term sheet that incorporates the terms and conditions found therein.”