



**TIF Joint Review Board Staff Report**  
**TID #39 (Stoughton Rd)**  
**October 16, 2008**

**Required Information and Projections**

1. The a) specific items that constitute project costs, b) the total dollar amount of these project costs to be paid with tax increments, and c) Amount of tax increments to be generated over the life of the tax incremental district.

a) For further information, see Page 3 of the Project Plan–Detailed Estimate of Timing and Project Costs.

<b>PROJECT COSTS</b>	<b>Total Cost</b>	<b>Assessable Cost</b>	<b>TIF Eligible</b>	<b>Year</b>
Water Mains	0	0	0	2008-23
Sanitary Sewer	0	0	0	2008-23
<b>Storm Sewer</b>				
Increase storm sewer at Camden/Major	200,000	0	200,000	2008-23
Storm drainage study	75,000	0	75,000	2008-23
Camden/Linda Vista storm improvements	200,000	0	200,000	2008-23
Helgesen drainage improvements	53,000	0	53,000	2008-23
Storm water treatment device installation	100,000	0	100,000	2008-23
Extend storm sewers on Vondron Rd.	35,000	0	35,000	2008-23
Greenway restoration--Pflaum to South	130,000	0	130,000	2008-23
<b>Sub-total -- Storm Sewer</b>	<b>793,000</b>	<b>0</b>	<b>793,000</b>	<b>2008-23</b>
<b>Street Resurfacing</b>				
Lumbermans Trl – Cottage Grove to south end of TID	86,000	14,000	72,000	2008-23
Remington Road – Frontage Rd to east end of TID	245,000	105,000	140,000	2008-23
Blossom Lane – Remington to Frontage Rd	69,000	11,000	58,000	2008-23
Stoughton Rd Service Road – Remington to Blossom	142,000	23,000	119,000	2008-23
Buckeye Rd – Stoughton Rd to Stoughton Rd Service Rd	113,000	18,000	95,000	2008-23
Stoughton Rd Service Rd – Buckeye to Pflaum	418,000	68,000	350,000	2008-23
Helgesen Drive – Stoughton Rd. Sev Rd to Daniels	290,000	47,000	243,000	2008-23
Seiferth Rd – Pflaum Rd to Tompkins	120,000	20,000	100,000	2008-23
Tompkins Drive – Service Rd to Progress Rd	133,000	22,000	111,000	2008-23
Stoughton Rd Service Rd – Pflaum to south end of TID	240,000	39,000	201,000	2008-23
Daniels St – Pflaum to Dairy Dr	230,000	37,000	193,000	2008-23
World Dairy Dr – Dairy Dr to Ag Drive	95,000	15,000	80,000	2008-23
Agriculture Dr -- World Dairy Dr to 650' north	98,000	16,000	82,000	2008-23
Dairy Drive @ World Dairy Dr	80,000	13,000	67,000	2008-23
Blazing Star Dr – west of Dairy Dr	36,000	6,000	30,000	2008-23
Prairie Dock Dr – Blazing Star to Dairy Dr	76,000	12,000	64,000	2008-23
Dairy Dr – Prairie Dock Dr to Femrite Dr	53,000	9,000	44,000	2008-23
Dutch Mill – Broadway to Femrite	236,000	38,000	198,000	2008-23
Femrite Dr – Broadway to Dutch Mill	389,000	63,000	326,000	2008-23

Femrite Dr – Dutch Mill to Agriculture Dr	368,000	60,000	308,000	2008-23
Agriculture Dr – Femrite to South TID boundary	156,000	25,000	131,000	2008-23
Ellestad Dr – Dutch Mill to east end of TID	87,000	14,000	73,000	2008-23
E. Broadway – Dutch Mill to east end of TID	170,000	28,000	142,000	2008-23
Tradewinds Pkwy – Dutch Mill to east end of TID	156,000	25,000	131,000	2008-23
Galleon Run – Tradewinds Pkwy to south end of TID	53,000	9,000	44,000	2008-23
<b>Subtotal – Street Resurfacing</b>	<b>4,929,000</b>	<b>737,000</b>	<b>4,192,000</b>	<b>2008-23</b>
<b>Dutch Mill Park &amp; Ride</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>2008-23</b>
<b>Quiet Zone Upgrades</b>				
@ Buckeye Rd	200,000	0	200,000	2008-23
@ Pflaum Rd	300,000	0	300,000	2008-23
<b>Subtotal – Quiet Zones</b>	<b>500,000</b>	<b>0</b>	<b>500,000</b>	<b>2008-23</b>

<b>Other TIF Eligible Cost</b>				
Land Acquisition	0	0	0	2008-23
Organization, Administrative and Professional Cost	300,000	0	300,000	2008-23
TIF Loans for Job Creation, Retention	677,000	0	677,000	2008-23
<b>Subtotal Other TIF Eligible</b>	<b>977,000</b>	<b>0</b>	<b>977,000</b>	<b>2008-23</b>
<b>Total Project Cost</b>	<b>7,699,000</b>	<b>737,000</b>	<b>6,962,000</b>	<b>2008-23</b>
<b>Finance Cost</b>			<b>\$1,915,000</b>	

<b>Sub-Total Public Improvements &amp; Revitalization</b>	<b>\$6,962,000</b>
Finance and Interest Cost	<u>\$1,915,000</u>
<b>Total Costs</b>	<b>\$8,877,000</b>

b) Tax increments will pay for a total of **\$6,962,000** of project costs.

c) A total of **\$16,666,000** of tax increments is estimated over the district’s 20-year life.

**2. The amount of value increment when the project costs in subd. 1 are paid in full and the district is terminated.**

The anticipated incremental value of property within the district at the end of its 20-year life is estimated at \$114,325,000 (Page 6 of the Project Plan).

**3. The reasons why the project costs in subd. 1 may not or should not be paid by the owners of property that benefit by improvements within the district.**

As demonstrated in the Detailed Estimate of Timing and Project Costs (Page 3-4 of the Project Plan), \$737,000 of the planned public infrastructure costs including storm sewer, street pavement rehab, and other costs is assessable to property owners. This leaves \$6,962,000 in project costs to be covered by tax increment funds.

**4. The share of the projected tax increments in subd. 1 estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the district.**

The proposed District base value is estimated at \$184,336,300. The first tax increment to be collected with the first phase of the proposed project at full assessment in 2012 is estimated to be \$295,000. The box below indicates the share of the estimated first tax increment invested by overlying tax jurisdictions based upon the 2007 mill rate.

2012 Tax Increment:			\$295,000
<u>Tax Jurisdiction</u>	<u>2007 % Mill Rate</u>	<u>Share of Tax Levy</u>	<u>Share of Increment</u>
City	7.32	37%	\$109,000
County	2.24	11%	\$32,000
MMSD	10.34	53%	\$156,000
MATC	1.23	6%	\$17,000
State of WI	<u>(1.50)</u>	<u>0.0%</u>	<u>0</u>
Mill Rate	19.63	100.00%	\$295,000*

*\*Note: Total may not add up to \$295,000 due to rounding*

5. The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the projected tax increments in subd. 4.

The proposed District provides the benefit of sharing in the equalized value growth. The chart below demonstrates the estimated tax base growth derived by tax jurisdictions if the district closes in 2020 (i.e. 12 years, consistent with the City of Madison average) and at the end of its statutory 20-year life.

➤ 2008 Value:	\$184,336,300
➤ Est. 2020 Value:	\$253,080,000
➤ Est. 2028 Value:	\$298,661,000

### TID Approval Criteria

1. Whether the development expected in the tax incremental district would occur without the use of tax incremental financing.

Only \$737,000 of the public improvements anticipated in the District is assessable to property owners, out of a total of \$7,699,000 of total costs. Without tax increment revenue, such improvements are not likely to occur when compared to areas in the City where special assessment revenues may be more readily available to fund greater portions of project costs.

The District could not support improvement costs without a “generator” of tax increment. These public improvements, “but for” TIF assistance, could not occur. The areas that are anticipated for development will generate tax increment sufficient to pay for the public improvements over the life of the District.

2. Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value, are insufficient to compensate for the cost of improvements.

In the City of Madison, TIF Districts are on average open 12 years. If the district closes in 2020 (12 years), it is estimated that approximately \$253,080,000 of equalized value would return to the overlying tax jurisdictions. At 20 years, the district would return approximately \$298,661,000 of equalized value to the overlying taxing jurisdictions. It is arguable that, without TIF, the current \$184,336,300 base

value of the proposed District would grow, if at all, at a more gradual rate and reach the estimated value growth levels in a much greater period of time.

**3. Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by owners of property in the overlying tax districts.**

The most quantifiable benefit to overlying tax jurisdictions is sharing of equalized value growth resulting from that investment.

Without TIF, overlying tax jurisdictions would share approximately \$3,618,000 of tax revenues for the tax parcels included in the proposed District based on the current base value of \$184,336,300. As stated earlier, the value at the end of the City's average 12-year TID life is estimated at \$253,080,000. Theoretically, if the City invested all \$6,962,000 of project costs in the district, that investment would leverage almost \$68 million or \$1 of TIF leverages \$9.80 of value growth. If the TID were to be closed at that time, this value growth would be returned to overlying tax jurisdictions that would now share in a levy of about \$4,967,000 or a net gain of about \$1,349,000 as a result of TIF.

In turn, the anticipated tax increments over the life of the district are estimated to support \$6,962,000 of public investment that may further enhance the area and also increase values in and around the proposed District.