

## MEMORANDUM

TO: City of Madison Joint Review Board

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

DATE: September 29, 2021

**SUBJECT: 2021 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 2021 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 2021, the City of Madison has 4.83% of its total equalized value within TIDs. This represents an increase from 2020, when the City had approximately 4.34% of its total equalized value within TIDs. This increase is due to large increases in value in TIDs 36, 37, 42, 45, and 46. All TIDs in the City of Madison, except TID 45 and TID 47, saw an increase in value from 2020 to 2021. The final total values and their increase or decrease from 2020 to 2021 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 2020, the City of Madison did not close any TIDs. In 2021, the City closed TID 38. TID 38's closure was made possible via donation from TID 35 and TID 41. In addition to TID 38, the City of Madison is closing TID 25 and TID 35 in 2021. The City will keep both TIDs 25 and 35 open for an additional year to collect one year's tax increment to be used to develop affordable housing and improve housing stock as allowed by TIF Law.

In 2021, the JRB approved project plan amendments to TID 36, TID 39, TID 41, and TID 42. The project plan amendment for TID 39 included a donation of \$3M to TID 42. In addition, the JRB approved a project plan and boundary amendment to TID 46. And finally, the JRB approved the creation of TID 48 and TID 49.

**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.