



Legislation Details (With Text)

File #: 64060 **Version:** 1 **Name:** 7496 TID 38 Closure
Type: Resolution **Status:** Passed
File created: 2/4/2021 **In control:** Economic Development Division
On agenda: 3/16/2021 **Final action:** 3/16/2021
Enactment date: 3/22/2021 **Enactment #:** RES-21-00204
Title: Dissolving Tax Incremental District (TID) #38 (Badger-Ann-Park). (14th A.D.)
Sponsors: Sheri Carter, Satya V. Rhodes-Conway

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|-------------------------------|--|--------|
| 3/16/2021 | 1 | COMMON COUNCIL | Adopt | Pass |
| 3/8/2021 | 1 | FINANCE COMMITTEE | RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER | Pass |
| 2/23/2021 | 1 | COMMON COUNCIL | Refer | Pass |
| 2/4/2021 | 1 | Economic Development Division | Referred for Introduction | |

Fiscal Note

The proposed resolution authorizes dissolution of Tax Incremental District (TID) #38. Since 20216, TID #35 has been donating incremental revenue to TID #38 in order for TID #38 to pay down its unrecovered costs to ultimately dissolve. The lost donor payment was from TID #41 in 2020. TID #38 will be terminated with likely no cash balance. No additional appropriation is required for the dissolution of TID #38.

Title

Dissolving Tax Incremental District (TID) #38 (Badger-Ann-Park). (14th A.D.)

Body

On June 17, 2008, the Madison Common Council created Tax Incremental District (TID) #38 (Badger-Ann-Park) located in south Madison. A project plan was prepared, identifying various types of public improvements and private development that could be undertaken in the TID. The City did undertake public improvement projects to assist in-fill redevelopment. The Great Recession of 2008-11 negatively affected the district, causing a significant base value decrease and rendering the district unable to generate positive tax increment thereafter. The City of Madison has now recovered its costs through donor-recipient plans adopted by the City whereby performing TIDs donated excess tax increments to TID #38 to accelerate the district's cost recovery. State Statute requires that when a municipality recovers its cost within the statutory life of the district, the district shall be dissolved.

The TID #38 Tax Increment Base Value, certified in 2008, was \$54,203,700. The current equalized value as of January 1, 2021 is \$56,390,600, or value growth of only \$2,186,900. Although the district demonstrates positive incremental value in the current year, historically it did not generate incremental value growth over its life. The district was thereby unable to generate tax increments to pay for approximately \$4,928,000 in costs. Through excess increment donations from TIDs 35 and 41 (University - Whitney) beginning in 2014, project costs have been recovered in 7 years. The district is closing after 13 years of operation.

NOW, THEREFORE BE IT RESOLVED that Tax Incremental District #38 (Badger-Ann-Park) is hereby

terminated, and City staff is authorized to transmit any information to the State of Wisconsin, as required by law, to carry out the purposes of this Resolution.