



Legislation Text

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Fiscal Note

TIF Law requires that, when a municipality recovers all costs incurred within a district, the district must be dissolved and any excess increment apportioned among the overlying tax jurisdictions. When TIF District #24 is closed at the end of 2008 and a final audit is completed, staff estimates that approximately \$6,000,000 of excess increment of will be apportioned among the overlying tax jurisdictions. Approximately \$2,000,000 of that amount will be deposited into the City's General Fund in 2008, with the remaining \$4,000,000 distributed between the Madison Metropolitan School District, Dane County and MATC.

Title

Dissolving Tax Incremental District (TID) #24 (Southeast Industrial).

Body

PREAMBLE

On July 18, 1995, the Madison Common Council adopted Resolution 52,387 creating Tax Incremental District (TID)#24 (Southeast Industrial) at an area generally located in the area of South Stoughton Road, Interstate Highway 90, Pflaum Road and Voges Road (map attached). A project plan was prepared, identifying various types of public improvements and private development that could be undertaken in the TID. TID #24 was created as an industrial TID with a statutory life of 23 years. The City did undertake public improvement projects including non-assessable street and other improvements.

The development in the World Dairy Center and other industrial development projects within the TID and value growth over time added approximately \$184 million of value to TID #24. A total of \$14.5 million of capital expenditures including public improvements and TIF business loans will have been implemented in the District as follows:

Land Purchase	3,571,000
Street Improvements	6,656,000
Storm water Management Improvements	860,000
Business Loans	2,959,000
Administrative Cost	<u>494,000</u>
Total Capital Expenditures	\$14,540,000

As indicated above, approximately \$2.9 million of these costs are TIF loans to attract or retain the World Dairy Center, TSI, Westphal & Co. (2 loans), FE Petro, Four Lakes Label, Isthmus Engineering and Jaeckle Distribution industrial development projects as well as loans to businesses that are anticipated in 2007-08.

By the end of December 31, 2008, the City of Madison will have recovered its costs in TID #24 through the increased taxes generated by new development. State Statute requires that when a municipality recovers its cost within the statutory life of the district, the district shall be dissolved.

The Tax Increment Base Value in TID #24 established on January 1, 1995 was \$39,936,800. The current equalized value as of January 1, 2007 is \$224,237,200, representing a property value growth of \$184,300,400. The project costs have been recovered in twelve (12) years.

NOW, THEREFORE BE IT RESOLVED THAT Tax Incremental District #24 (Southeast Industrial) is hereby dissolved.

BE IT FURTHER RESOLVED, that the City Treasurer shall distribute any excess increment collected after providing for ongoing expenses of the district, to the affected taxing jurisdictions with proportionate shares to be determined by the final audit by the City of Madison.