



Legislation Details (With Text)

File #:	46326	Version:	1	Name:	Authorizing the Escrow of Funds from TID Nos. 32 and 43 for Completing Projects in the 2017 Capital Budget.
Type:	Resolution	Status:			Passed
File created:	2/28/2017	In control:			BOARD OF ESTIMATES (ended 4/2017)
On agenda:	3/21/2017	Final action:			3/21/2017
Enactment date:	3/23/2017	Enactment #:			RES-17-00243
Title:	Authorizing the Escrow of Funds from TID Nos. 32 and 43 for Completing Projects in the 2017 Capital Budget.				
Sponsors:	Paul R. Soglin, Michael E. Verveer				
Indexes:					
Code sections:					
Attachments:					

Date	Ver.	Action By	Action	Result
3/21/2017	1	COMMON COUNCIL	Adopt	Pass
3/13/2017	1	BOARD OF ESTIMATES (ended 4/2017)	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
3/7/2017	1	COMMON COUNCIL	Refer	Pass
2/28/2017	1	Attorney's Office	Referred for Introduction	

Fiscal Note

TID 32 includes \$6.1 million of authorized projects in the 2017 Adopted Capital Budget. TID 43 includes \$251,000 of authorized projects in the 2017 Adopted Capital Budget. Creation of this escrow will set aside tax increment in these districts to pay for these projects.

Estimated annual tax increment is \$7.8 million in TID 32 and \$725,000 in TID 43, respectively. Under state law, one additional year of tax increment after all tax increment costs have been paid may be used by the city for affordable housing projects.

Title

Authorizing the Escrow of Funds from TID Nos. 32 and 43 for Completing Projects in the 2017 Capital Budget.

Body

WHEREAS, Wis. Stat. § 1105 (TIF Law) requires that TIF Districts (TID) terminate upon the receipt of tax increment equal to the aggregate of all project costs in the project plan and any amendments; and

WHEREAS, pursuant to TIF Law, TID 32 and TID 43 are anticipated to close in 2017; and

WHEREAS, TIF Law permits the City to collect increment for one year after closing a TID in order to improve the City's housing stock; and

WHEREAS, the City's 2017 Capital Budget includes funding for public works projects and the small cap TIF program in each of TID 32 and 43 which were anticipated to be paid from tax increment in the respective TIDs; and

WHEREAS, the City anticipates that certain affordable housing projects will be financed in 2018, which require the closure of TIDs 32 and 43 in 2017; and

WHEREAS, in order for the closure to be effective in 2017, a resolution terminating the district must be presented to the Wisconsin Department of Revenue (DOR) before May 15, 2017; and

WHEREAS, in order to both finance 2017 capital projects and close the districts for the purpose of affordable housing financing, the City will place excess cash from the TIDs into escrow for the purpose of financing the approved projects.

NOW THEREFORE BE IT RESOLVED, that the Finance Director escrow funds available in the special reserve fund of TIDs 43 and 32 for the purpose of financing projects approved in the 2017 Capital Budget which were anticipated to be paid for with tax increments.

BE IT FURTHER RESOLVED, that any additional funds remaining in the escrow accounts at the end of 2017 be distributed to the overlying taxing jurisdictions in the same manner required by TIF Law upon TID closure after a final audit is completed.