Legislation Text

File #: 06258, **Version:** 1

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. TID #34 will have accrued excess increment totaling approximately $500,000 received in 2007. Therefore, when TIF District #34 is closed and a final audit is completed, the City's share of excess increment will be approximately $170,000 and will be deposited in the General Fund. The remaining $330,000 will be distributed to Dane County, Madison Area Technical College and the Madison Metropolitan School District.

Title

Dissolving Tax Incremental District (TID) #34 (Covance).

Body

PREAMBLE

On April 25, 2005, the Madison Common Council adopted Resolution 05-00345 I.D. creating Tax Incremental District (TID)#34 (Covance) at an area west of east of Pearson Street to USH 51/North Stoughton Road, south of Pierstorff not including the MATC campus or parking lot (map attached). A project plan was prepared, identifying various types of public improvements and private development that could be undertaken in the TID. TID #34 was created as an industrial TID with a statutory life of 20 years. The City did undertake public improvement projects including non-assessable street and other improvements to Pierstorff and Wright Streets, with a combination of TIF and Transportation Economic Assistance funds provided by the State of Wisconsin, in anticipation of the Covance headquarters expansion.

The Covance expansion was estimated to add $25,000,000 of value to TID #34 in the development of a 240,000 square foot office and laboratory building and 630-stall parking ramp for Covance employees. This projected value was estimated to support the cost of infrastructure improvements that would facilitate the company's expansion and the retention of 425 jobs and the creation of 330 jobs within the first three years (or a total 755 jobs created and retained) in the City of Madison. In addition to $114,383 of TIF public infrastructure improvements, the City was able to secure a $900,000 Transportation Economic Assistance grant from the State of Wisconsin to pay for other transportation-related improvements.

The City of Madison has now recovered its costs in TID #34 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 #34 as of January 1, 2005 was $93,540,200. The current equalized value as of January 1, 2006 is $129,554,800, representing a property value growth of $36,014,600. The project costs have been recovered in two (2) years.

NOW, THEREFORE BE IT RESOLVED THAT Tax Incremental District #34 (Covance) is hereby dissolved.