TIF POLICY REVIEW AD HOC COMMITTEE PRESENTATION

July 9, 2013 (Joe Gromacki and Dan Rolfs, AICP, Committee Staff)
In 2012 alone, the City of Madison leveraged $103 million of new value in five projects.

This value was leveraged with $8.5 million of TIF.

- UW Digestive Health Clinic
- Wingra Clinic
- Constellation
Adopted City of Madison TIF Policy – By the Numbers (1999-2013)

- TIF Loans - $30 million
- New Value - $324 million
  
  (Note: $324 million is only project value and does not include spin-off growth)
Adopted City of Madison TIF Policy – By the Numbers (1999-2013)

- Last 14 years with TIF Policy
  - Requests - $48 million
  - TIF Loans - $30 million
  - Savings (in 2013 dollars) - $20 million
  - Jobs Created – 321
  - Jobs Retained – 952

Note: job #’s only reflect those projects that had specific jobs reported and do not include construction and other unreported jobs.

FGC – 120 jobs created / retained

FE Petro – 128 jobs created / retained
City of Madison TIF Program – By the Numbers (1979 – 2013)

- 1979 – 2013
  - Total TIF Loans - $103 million
  - New Value - $1.3 billion
  - Infrastructure Investment - $91 million

Mullins Plaza

Franklin Condos

MLK, Jr. Blvd Improvements
Adopted TIF Policy

- Protects the tax-payer and overlying taxing jurisdictions by:
  - 50% Rule
    - Ensures sufficient revenue in the case of a downturn
    - Reserves funds for City infrastructure
  - Requires a personal guaranty
  - Requires a project to be self-supporting
  - Sets clear, objective standards for TIF loans
Surrounding Communities

- **Surveyed (2003-2013):**
  - Sun Prairie, Fitchburg, Middleton, Waunakee, Verona, DeForest
- **No TIF Policies**
- **Total loans / grants - $23 million (excluding Verona)**
  - New value - $208 million (excluding Verona)
- **Infrastructure expenditures**
  - Surveyed communities fund infrastructure that Madison currently assesses to property owners
Madison vs Suburbs (2003 – 2013)

- Total Loans - $25 million
- New Value - $269 million
- Infrastructure assessment policy

- Total Loans - $23 million
- New Value - $208 million (excluding Verona)
- Pay for some or all infrastructure costs
The fast growth strategy of the suburbs requires them to increase their debt load and take on new operating costs to pay for new infrastructure and services.

(Data compiled by City of Madison Finance Dept.)
Potential Development Sites (Map 1)

Areas in red are where TIF funds are traditionally invested based upon the adopted Comp Plan TIDs that were open from 2003 forward were overlayed to identify where new TIDs would most likely not be created.
NOTES

1. The "Potential TID Parcels" was created by searching data from City of Madison Parcels based upon:
   a. All parcels located in an area identified for Mixed Use, Commercial, Employment, or Industrial use on the City of Madison Comprehensive Plan (2019). [Updated: 2021.1]
   b. Parcels in the Select above any parcel that is located in a TID that is currently under a TID that was created within the last 10 years.
   c. Eliminating all parcels that are a single-family home.
   d. Eliminating all parcels owned by a tax-exempt entity (with the exception of City-owned parcels).

Potential Development Sites (Map 2)

Parcels in red are selected from Map 1, based upon proposed use in the Comp Plan. Parcels in a TID since 2003, single family homes and tax exempt parcels were eliminated.
Potential Development Sites (Map 3)

Parcels in red were further refined from Map 2, eliminating parcels based on land use, ownership, value, and Planning Division staff input.
<table>
<thead>
<tr>
<th>Potential Redevelopment</th>
<th>Acres</th>
<th>Value</th>
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<tbody>
<tr>
<td></td>
<td>2,390</td>
<td>$1,444,282,500</td>
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**Average acres of Greenfield Com., Mixed Use, Ind., Emp. Used / Decade**

Ave acres Greenfield Com., Mixed-Use, Industrial, Employment used / Year

1,597 (Based on CARPC data)

160

**Potential Development Sites (Map 4)**

Parcels identified in Map 3 were divided into "Potential Redevelopment" and "Greenfield" based upon land use designations.
City-wide Development

- **Strong construction numbers:**
  - Over 2,600 new dwelling units under construction, approved, or pending
  - Over 400,000 SF of commercial space under construction, approved, or pending

- City assessment policy does not permit the City to pay all infrastructure costs, unlike surrounding communities
2012 Projects (Under Construction, Approved or Pending)

- 2,600+ dwelling units,
- 400,000+ SF commercial space

Source: DPCED, ORES Data
Thank you

Joe Gromacki (TIF Coordinator)
Dan Rolfs, AICP (Community Development Project Manager)