

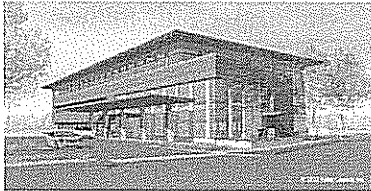
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TIF POLICY REVIEW AD HOC COMMITTEE PRESENTATION


July 9, 2013 (Joe Gramacki and Dan Rolfs, AICP, Committee Staff)

City of Madison TIF Program – By the Numbers (2012)


- 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)

University Square



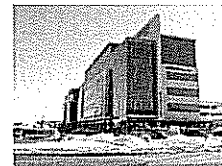
Capital West



Madison Mark

Adopted City of Madison TIF Policy – By the Numbers (1999-2013)

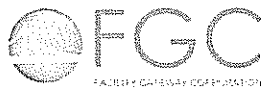
- Last 14 years with TIF Policy
 - ▣ Requests - \$48 million
 - ▣ TIF Loans - \$30 million
 - ▣ Savings (in 2013 dollars) - \$20 million
 - ▣ Jobs Created – 321
 - ▣ Jobs Retained – 952



Arbor Gate – 500
jobs created /
retained

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



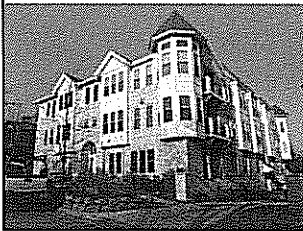
FE Petro – 128
jobs created /
retained



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

Franklin Condos



MLK, Jr. Blvd Improvements

Mullins Plaza



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)

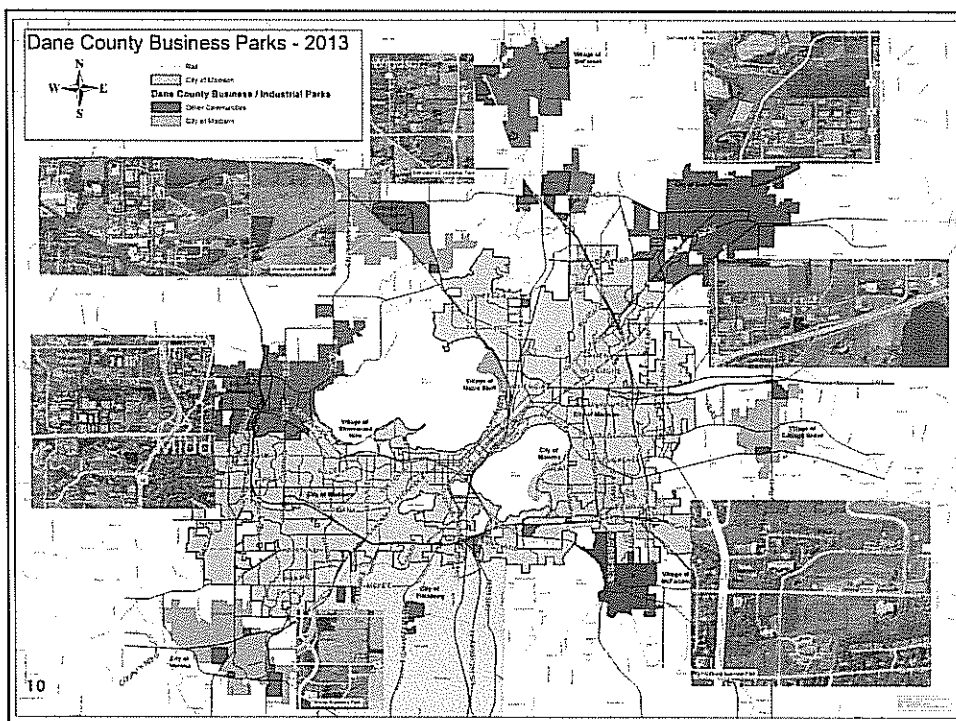
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|------------------------------------|--|
| □ Total Loans - \$25 million | □ Total Loans - \$23 million |
| □ New Value - \$269 million | □ New Value - \$208 million (excluding Verona) |
| □ Infrastructure assessment policy | □ Pay for some or all infrastructure costs |

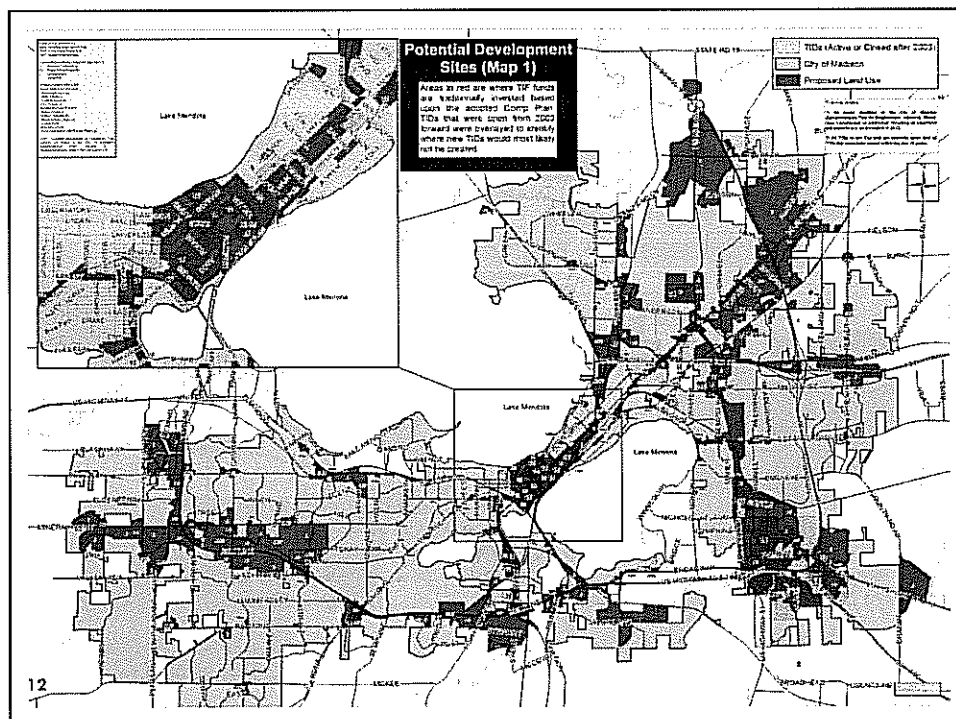
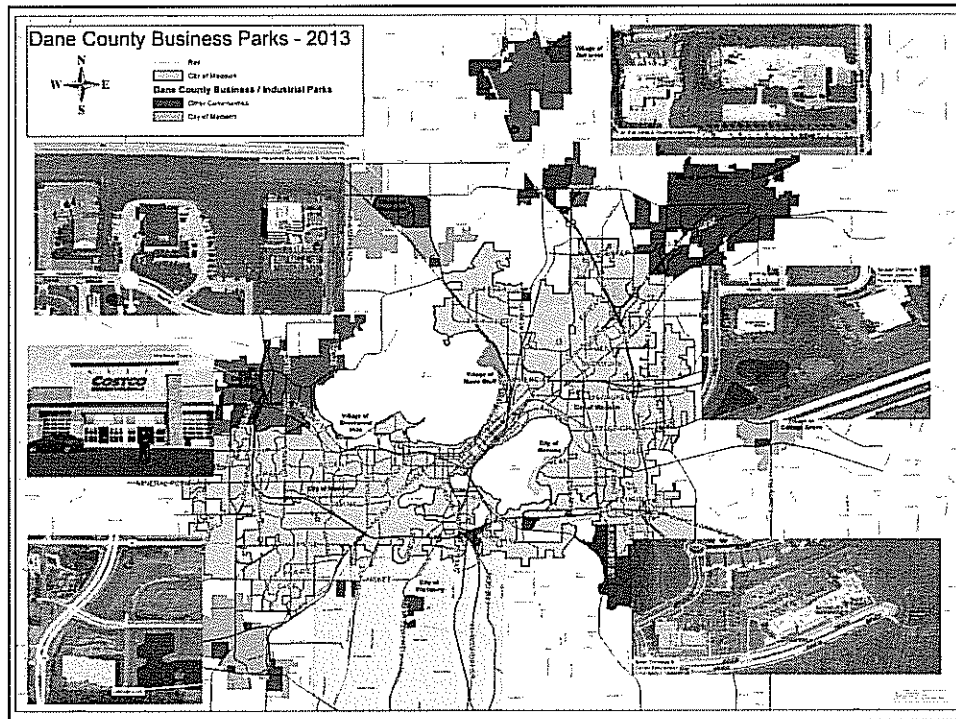
Madison vs Suburbs

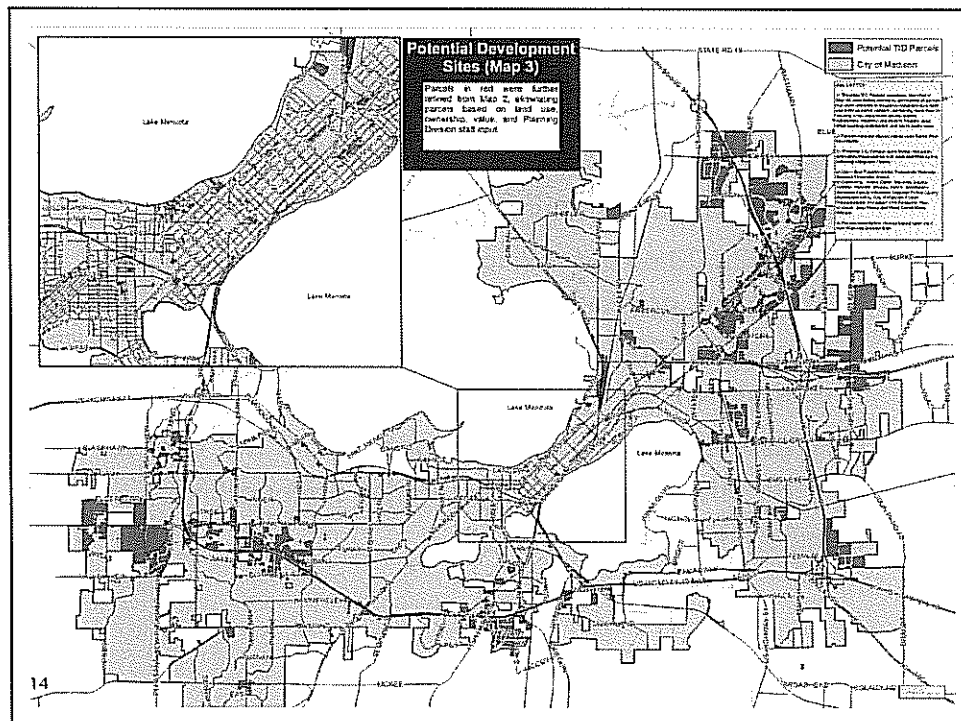
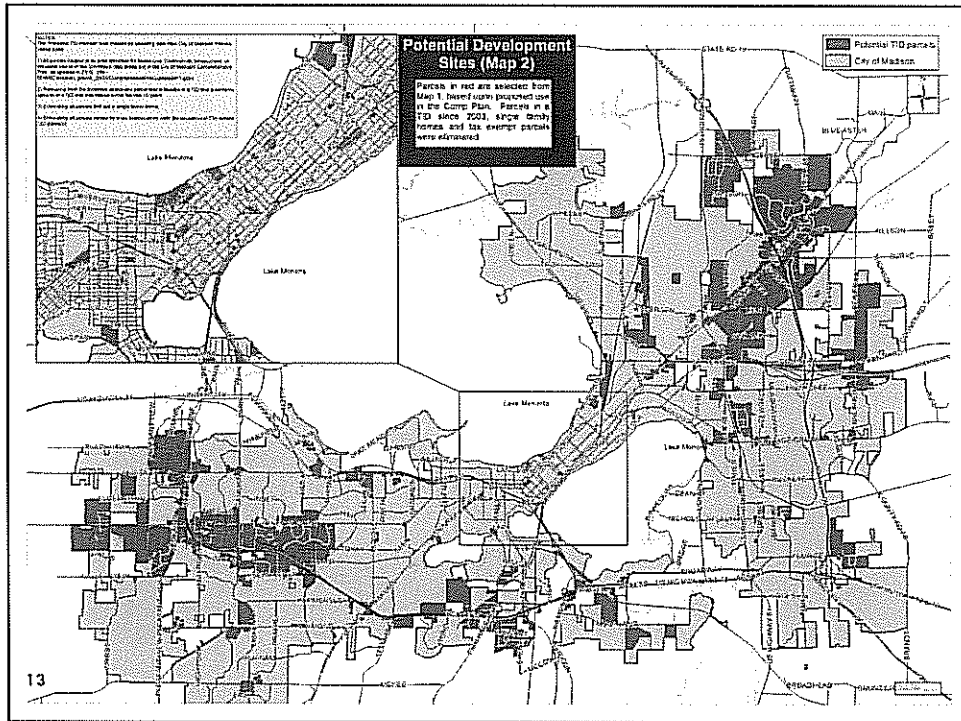
- The fast growth strategy of the suburbs requires them to increase their debt load and take on new operating costs to pay for new infrastructure and services.

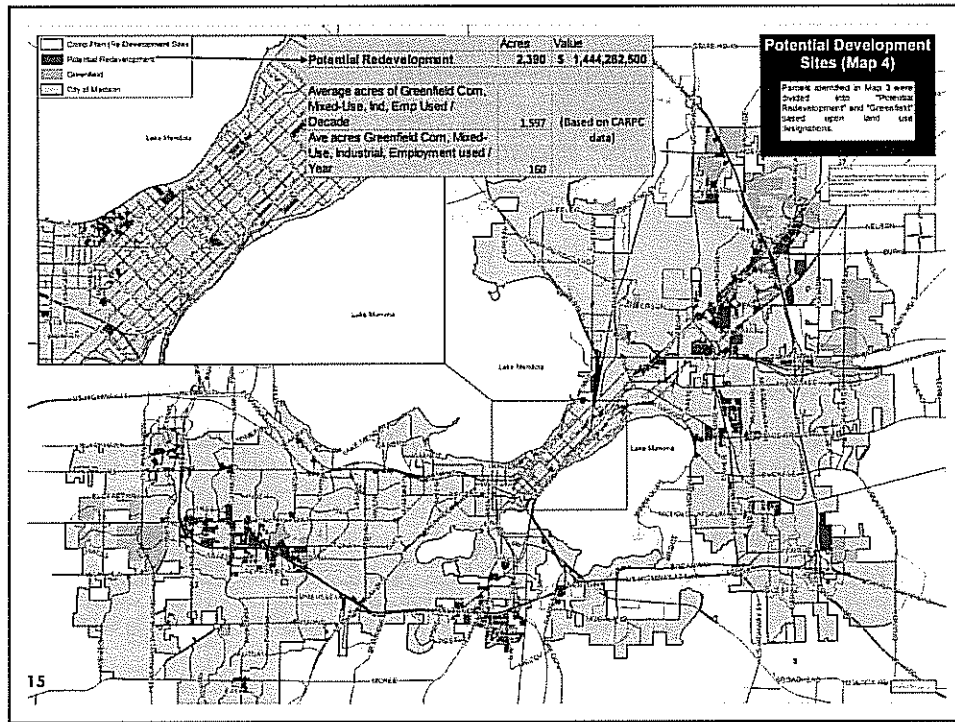
City	2013 Budget			2012 TID Increment as Share of Total Equalized Value (12% Maximum)
	General and Debt Service Fund Expenditures	General Fund-Related Debt Service	Debt Service Share of Total Expenditures	
Madison	253,284,429	34,431,480	13.6%	1.85%
Fitchburg	16,604,766	2,450,411	14.8%	5.68%
Middleton	21,107,597	3,777,320	17.9%	14.70%
Sun Prairie*	27,855,117	6,399,403	23.0%	3.76%
Verona	8,607,925	1,904,925	22.1%	21.03%

(Data compiled by City of Madison Finance Dept.)





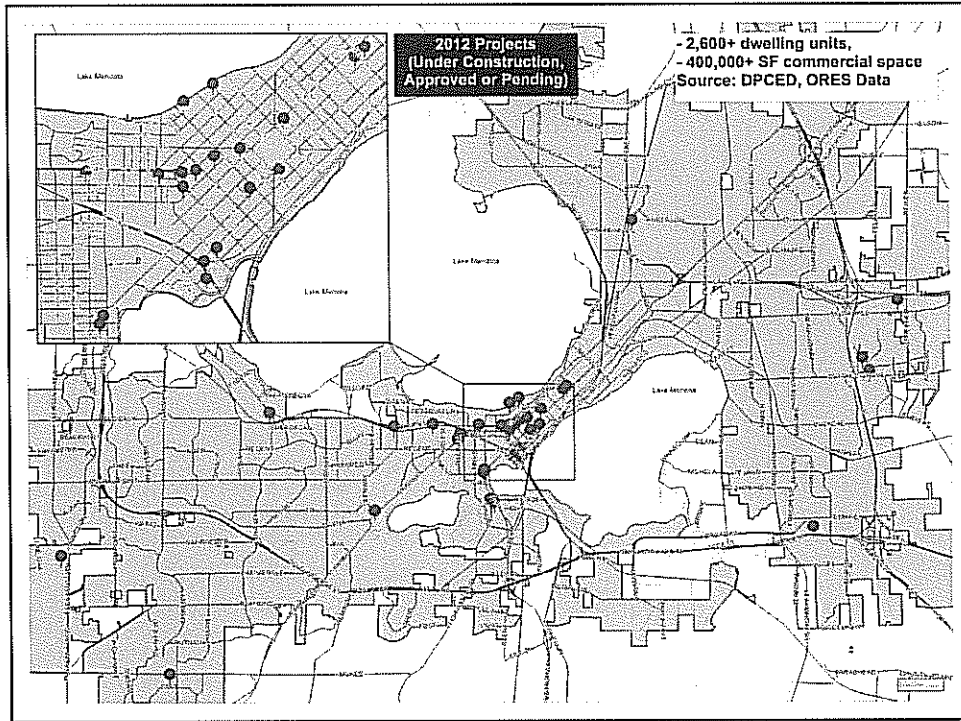




City-wide Development

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- 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



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Thank you

Joe Gromacki (TIF Coordinator)

Dan Rolfs, AICP (Community Development Project
Manager)

