Proposed Tax Increment Financing Districts #11 & 12
What is Tax Increment Financing (TIF)?

- TIF is a financial tool Wisconsin municipalities may use to expand the tax base by providing improvements necessary to promote development.

- The funding for making improvements and investing in projects in the District is provided from the increased property tax revenue from the increases in property values.

- Statute Statutes require a “but for” clause to create a District. Meaning, but for a TIF District, this development would not occur.
How TIF Districts Work

The TIF receives taxes on the increment value at the combined rate of all taxing entities.

<table>
<thead>
<tr>
<th>Gross Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIF District</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

All Taxing Jurisdictions continue to receive their share of the tax levy on the base value.

<table>
<thead>
<tr>
<th>Gross Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>School</td>
</tr>
<tr>
<td>County</td>
</tr>
<tr>
<td>Tech. College</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>
How TIF Districts Work: Example

Development Project Example:

- Base Value: $1,000,000
- New Construction Value: $5,000,000
- Total Value: $6,000,000

- Base Values Taxes: $22,060
  - City: $7,930
  - School: $7,960
  - County: $4,320
  - Vocational/Tech: $1,680
  - State: $170
- Increment Value Taxes: $110,300
- Total Taxes Paid: $132,360
A Project Plan is developed by the community creating the District, which defines the projects, boundary of the district, costs, financing, economic feasibility, eligibility of community to create a district (limit based on % of equalized value).

- Public notices to property owners.

- Public notices to all taxing entities, which make up the Joint Review Board.

- Public Hearing at Plan Commission, approval of project plan and boundary.
Council/Board adopts the boundary and project plan.

Joint Review Board considers the TIF District proposal and must affirm:

1. “But for” the TIF, the development would not occur.
2. The economic benefits of the TIF District are sufficient to compensate for the costs of improvements.
3. The benefits of the TIF District outweigh the tax increments paid by the taxpayers.

Department of Revenue must then certify the TIF District.
Methods of Financing Projects

Traditional TIF Investments:

- Community advances the funding for the development on eligible project costs.
- Community repays the debt for projects with annual tax revenues from the increment.

Developer Financed Projects:

- Community & developer agree on level of investment in project.
- Developer finances the project and is repaid with the annual tax revenues from the increment.
Hear public testimony on the proposed boundaries and Project Plans for TIF Districts #11 & 12 (July 11, 2017).

Consider adoption of the Resolution approving the boundaries and Project Plans, which includes a recommendation to the Common Council to authorize the creation of TIF Districts #11 & 12 (Common Council August 2, 2017)
Tax Incremental Districts # 11 & 12

QUESTIONS ???

“meeting community needs....enhancing quality of life”
Tax Incremental Financing District #12 - Downtown West

City of Appleton
Tax Incremental Financing District #12
Existing Uses and Conditions

- TIF #12 Boundary
- Rehabilitation/Conservation Parcels
- Zoning:
  - Commercial
  - Central Business District
  - Single Family Residential
  - Two Family Residential
Tax Incremental Financing District #12 - Downtown West