

The Do's and Don'ts of TIFs

Variables that impact TID closure, extension and reinvestment decisions



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100%
EMPLOYEE-OWNED



ENABLING PEOPLE TO
POSITIVELY IMPACT
THE LIVES OF OTHERS
SINCE 1962.



63 INDUSTRY
AWARDS SINCE 2010



\$500+ MILLION GRANTS
AND LOW-INTEREST LOANS



350+ TEAM
MEMBERS IN 17
OFFICES



IT'S MORE THAN A PROJECT,
IT'S A COMMITMENT.

OUR SERVICES



Mobility

- Urban/Rural Roadway Design
- Real Estate
- Traffic & Roundabouts
- Bridge/Structural Engineering
- Construction Services
- Aviation
- Funding



Land

- Agriculture
- Environmental
- GIS
- Landscape Architecture
- Parks and Recreation
- Planning
- Surveying
- Waterfronts
- Funding



Water

- Electrical Systems
- Potable Water
- Wastewater
- Water Resources
- Wetlands
- Funding



Public Works

- Construction-Related Services
- Engineer of Record
- Funding
- Housing
- Industrial Parks
- Infrastructure
- Funding



Buildings

- Architecture
- Electrical
- Mechanical
- Plumbing
- Structural
- Funding

TIF Overview

- Types of TIFs



Industrial or Mixed Use



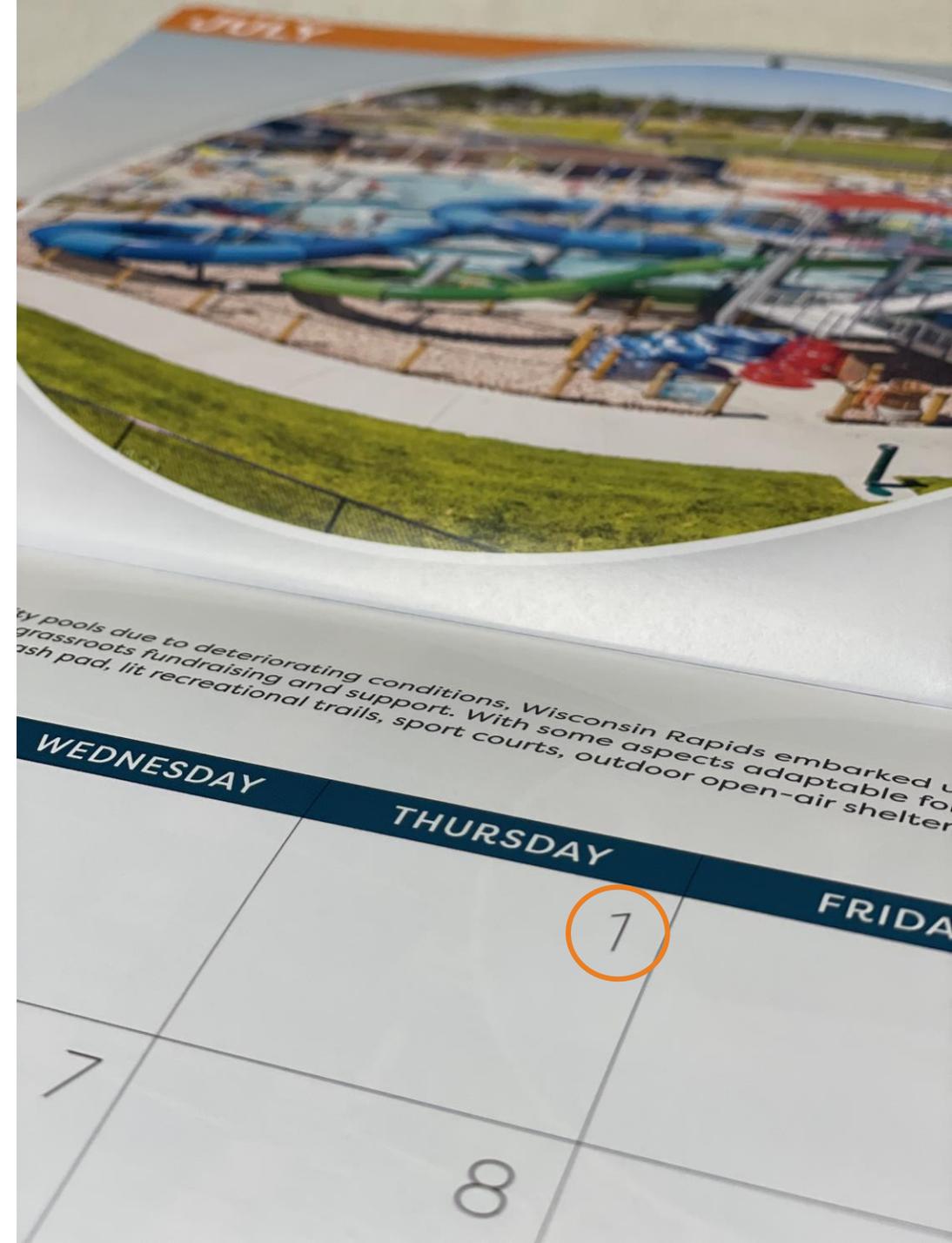
Rehab/Conservation or Blight



Distressed
(no longer available)

TIF Overview

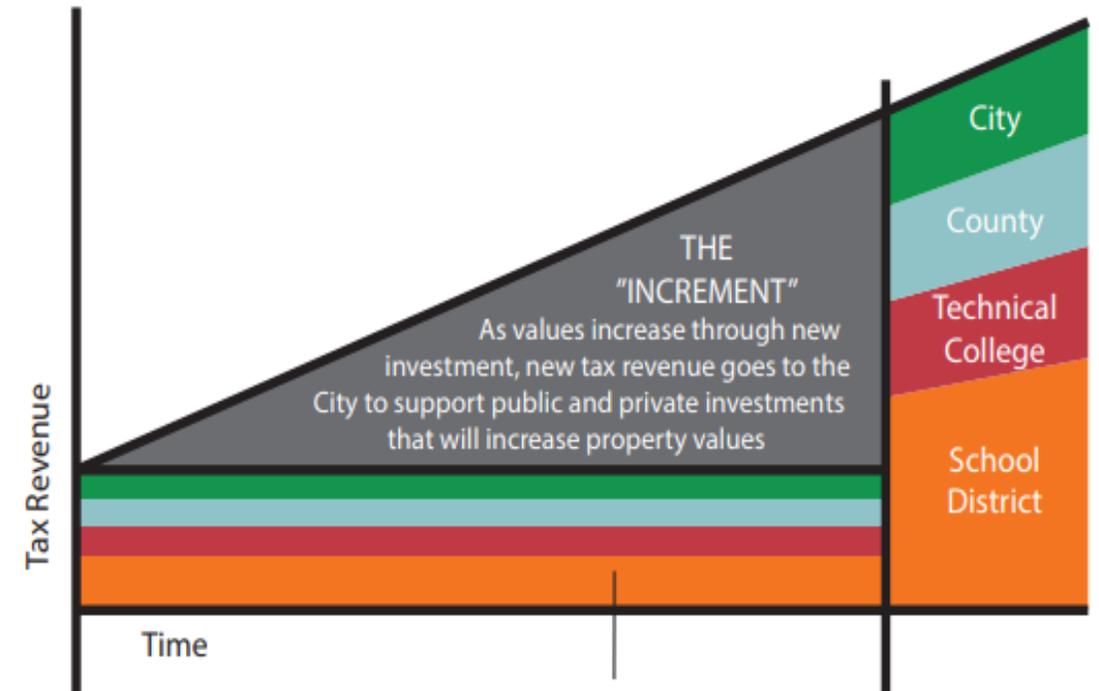
- Act 257
 - Annual Report
 - Joint Review Board
- Annual TID Checkup
 - Identify performing and nonperforming districts
 - Identify issues and opportunities
 - Provide recommendations



Do's and Don'ts of Closing Early

Do Close Your TID

- Expenditure date is past & all project costs are paid
- New or amended district is needed
- You do not want the affordable housing extension





Amery, WI

- Downtown Revitalization Project
- Project Cost: \$3.65 million
- Bundle several funding sources
- Grants and low-interest loans
- Tax increment will pay debt service on all loans

Do's and Don'ts of Closing Early

Don't Close Your TID

Nonperforming Districts

- Extensions
- Allocations from performing district
- Special legislation



Do's and Don'ts of Closing Early

Don't Close Your TID

Performing District

Add Projects

Allocation Amendment

**Affordable Housing
Extension**



Augusta, WI

- Downtown Revitalization Project
- Total Project Cost: \$4.24 million
- Total Grants: \$1.67 million
- Total Loans: \$2.58 million
- TIF District will pay all debt service on loans

Other Considerations

- Overlay districts
- Extensions
 - Standard –
 - No extension for TID's created prior to 10/1/95
 - Four years for “rehab & conservation” and “blight” districts created between 10/1/95 and 9/30/04
 - Three years for all types of TID's created after 10/1/04
 - Technical College – All TID's
 - Affordable Housing – All TID's



Before



After

Affordable Housing Extension

How it works

- Any TID that has paid off its costs
- Board/Council resolution
- 1 to 12 months of additional increment collected
- 100% in support of housing stock, 75% in support of affordable housing
- Projects may be anywhere in the community
- No deadline on use of funds



VIEW LOOKING NORTH ON MAIN

Affordable Housing Extension

What is “affordable housing”?

- Housing costing 30% or less of gross monthly household income
- No limit on incomes that benefit
- Typical focus is 100% or less of the median household income

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Madison, WI HUD Metro FMR Area	\$103,100	Very Low (50%) Income Limits (\$) Explanation	36,100	41,250	46,400	51,550	55,700	59,800	63,950	68,050
		Extremely Low Income Limits (\$)* Explanation	21,700	24,800	27,900	30,950	33,450	35,950	40,120	44,660
		Low (80%) Income Limits (\$) Explanation	55,950	63,950	71,950	79,900	86,300	92,700	99,100	105,500

Affordable Housing Extension

Examples – how to use the funds

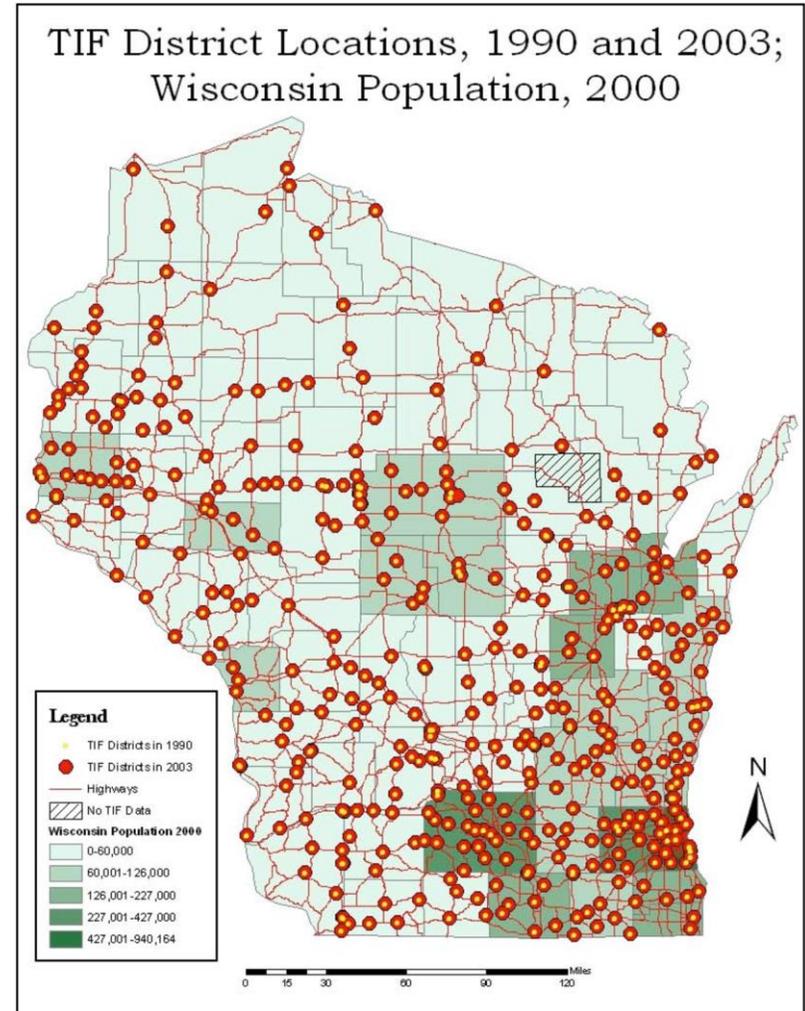
- Subsidize an apartment development with income-qualified units that is also supported by WHEDA tax credits (e.g. Waunakee, Madison)
- Build modest ownership homes priced under \$200,000 (e.g. La Crosse)
- Create a no-interest loan program to encourage upgrades of older homes (e.g. Monona)
- Repair infrastructure in LMI neighborhood (e.g. Appleton)
- Complete a study of affordable housing conditions and needs (e.g. Fitchburg)



Affordable Housing Extension

Who's using this option?

- Dozens of cities and villages
- Passed in 2009, but most use in past 5 years
- Estimate: 13 communities currently collecting
 - City of De Pere
 - City of Janesville
 - City of Hillsboro
 - City of Racine
 - City of Richland Center
 - City of Ripon
 - City of Viroqua
 - City of Westfield
 - Village of Lomira
 - Village of Shorewood
 - Village of Siren
 - Village of Waunakee
 - Village of Westfield



Q&A

Contact any of our funding experts for more information on Tax Increment Financing.



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Next Webinar

July 27 @ Noon

Healthy Neighborhood Design Challenges

