



CITY OF WAUKESHA

Administration

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Committee: Plan Commission	Date: 12/13/2017
Common Council Item Number: PC17-1720	Date: 12/13/2017
Submitted By: Maria Pandazi, City Planner	City Administrator Approval: Kevin Lahner, City Administrator Click here to enter text.
Finance Department Review: Rich Abbott, Finance Director RA	City Attorney's Office Review: Brian Running, City Attorney Click here to enter text.
Subject: Tax Incremental Finance District No. 14 Project Plan Amendment No. 5	

Details:

The City of Waukesha created TID #14 in 2003 to encourage and promote industrial development in the vicinity of Sunset Drive and Sentry Drive. There have been 4 previous amendments to this district since its creation, including 2008 when the boundaries were expanded and project plan amended to redevelop the former Flemming site into the Shoppes at the Fox River retail development.

This TID has been very successful and is scheduled to close in 2022. The District is generating tax increment in excess of what is required to meet its own financial obligations. Pursuant to State of Wisconsin Tax Incremental Finance Law, that surplus increment can be allocated to other TIF districts. The proposed amendment to TID No. 14 would allow the surplus increment to go to the following districts:

- TID 11: A Bight District encompassing a large portion of Downtown Waukesha
- TID 17: A Blight District encompassing parts of Downtown and southern central city neighborhoods.
- TID 18: A Blight District on the southeast side of the city.

Under this scenario (Scenario 1) these districts would close between 4-7 years earlier, resulting in interest savings of an estimated \$2.36 million dollars. Even with the proposed allocation amendment, TID 14 would still close in 2022.

The project plan also has language that would potentially allow TID 14 to donate to three additional Tax Incremental Districts; TID 12, TID 19, and TID 20 (Scenario 2) if the City were able to obtain special legislation from the State of Wisconsin. Each of these districts were created as Industrial TIDs and current State Statutes do not allow Industrial TIDs to receive positive increment from other districts unless they have been declared distressed or severely distressed.

The City intends to explore the possibility of obtaining special legislation and may also look into the feasibility of changing the type of TID for these districts from Industrial to Mixed Use or Rehabilitation, which would allow them to receive positive increment from other districts. Under Scenario 2 TID 14 would close in 2023, one year later than



its expected closure date under Scenario 1. Under this scenario it is estimated taxpayers would realize \$3.29 million in interest savings.

This amendment is only an allocation amendment, there are no changes in the boundaries of the District, nor are there any changes in TID expenditures. The goal of this amendment is to allow three (and possibly 6) other districts to close sooner, reducing interest payments, and returning the full property value to the tax roll.

This amendment will also need to be approved by the Common Council and the Joint Review Board, which is likely to occur in January 2018.

Options & Alternatives:

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Financial Remarks:

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Staff Recommendation:

Staff recommends the Plan Commission adopt the Plan Commission Resolution 17-1720, approving Amendment No. 5 to Tax Incremental Finance District No. 14.