



## Office of the City Administrator

**To:** Mayor Welch, Common Council Members  
**From:** Al Hulick, City Administrator  
**Date:** May 17, 2016  
**Subject:** Discussion and Possible Action on Resolution 2016-12 Approving an Amendment to the Project Plan of Tax Incremental District No. 6.

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### Summary

The City of Milton Administration is proposing an Amendment to the original Project Plan for Tax Incremental District No. 6. The purpose of this Amendment is to:

1. Allow for the District to share surplus increments with Tax Incremental Districts No. 7 & 8 under the provisions of Section 66.1105(6)(f) of the Wisconsin Statutes; and,
2. The proposed amendment would further allow the District to incur project costs outside of, but within  $\frac{1}{2}$  mile of, the boundaries of the District as permitted under Wisconsin Statutes s.66.1105(2)(f)1.n.

### Background

As TIF No. 6 (commonly referred to as the Crossroads Business TIF) continues to show great success, State Statutes allow successful TIF Districts to share their increment with “underperforming” TIF Districts. Currently TIF 7 and 8 are underperforming TIF’s and could benefit from the ability to share in TIF 6’s successes.

Currently TIF No. 8 (Goodrich Square) is “upside down” in that the current value of the TIF is less than it was on the day it was created. This “decrement” in value does not allow for any expenditures within that TIF. This problem is unlikely to ever correct itself and will likely result in the closure of TIF No. 8 once all debt service from that TIF has been paid off. However, in the interim, this Amendment would allow for improvements to be made within TIF 8 and support any development incentives that may be requested until such time that the TIF can be closed and a new TIF established.

TIF No. 7 (Merchant Row) is not in nearly as dire shape as TIF No. 8. However, this TIF would be considered to be “underperforming” as well, due to the very small amount of increment that is being generated on an annual basis. Again, this Amendment would allow for improvements and incentives to be provided through TIF No. 6 to TIF No. 7 if needed. Furthermore, this Amendment will likely be the primary funding source for the improvements planned for Merchant Row this Fall and in 2017.



### **Analysis**

This Amendment will not change the boundaries of the TIF District, nor extend the life of the TIF District.

As part of this process, the JBR, CDA, and City Council review the following:

1. The boundaries of the District shall be named "Tax Incremental District No. 6, City of Milton", remain unchanged as specified in Exhibit A of this resolution.
2. That this Project Plan Amendment shall become effective as of the date of adoption of this resolution provided that it is further approved by the Joint Review Board.
3. The Common Council finds and declares that:
  - a. Not less than 50%, by area, of the real property within the District is and remains suitable for industrial sites and zoned for industrial use within the meaning of Wisconsin Statutes Section 66.1101.
  - b. Based upon the findings, as stated in 3.a. above, and the original findings as stated in the resolution creating the District, the District remains declared as an industrial district based on the identification and classification of the property included within the District.
  - c. The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in the District.
  - d. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wisconsin Statutes Section 66.1105(5)(b).
  - e. The project costs of the District relate directly to promoting industrial development in the District consistent with the purpose for which the District was created.
  - f. Any real property within the District that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of the District.
4. The amended Project Plan for "Tax Incremental District No. 6, City of Milton" (attached as Exhibit B) is approved, and the City further finds the Plan is feasible and in conformity with the master plan of the City.

### **Recommendation**

The City Administration recommends adoption of the proposed resolution amending the Project Plan for Tax Incremental Finance District No. 6.