



# TIF 101



# TIF Overview

- Tax Increment Financing was first enacted in Wisconsin in 1976
- Wisconsin has been a national leader in using TIF to attract investment and jobs
- 70% of Wisconsin cities and villages use TIF
- On average, for every \$1 of investment within a WI TIF district, \$4.66 of additional tax base is created

# TIF Basics

- Acronyms:
  - TIF = Tax Increment Financing (the tool)
  - TID = Tax Increment District (boundary where the tool is used)
- TIF allows municipalities to capture incremental property tax revenue from ***growth*** in a defined area to benefit that area
- 12% rule
- Since 1976 there have been many changes to TIF law, including last week, which has added complexity

# TIF Basics

- Various types:
  - Industrial
  - Mixed Use
  - Blight
  - Rehabilitation/conservation
  - Environmental Remediation
- TIF Districts are limited in life, but can be extended
  - 20 years for mixed use/industrial
  - 27 years for blighted/rehabilitation/conservation
  - Must close when project costs have been met

# TIF Basics

- **Pros:**

- Provides City with tool to attract development that otherwise would not occur (“but for” rule)
- Developers can be reimbursed for project costs from funds that otherwise would not exist

- **Cons:**

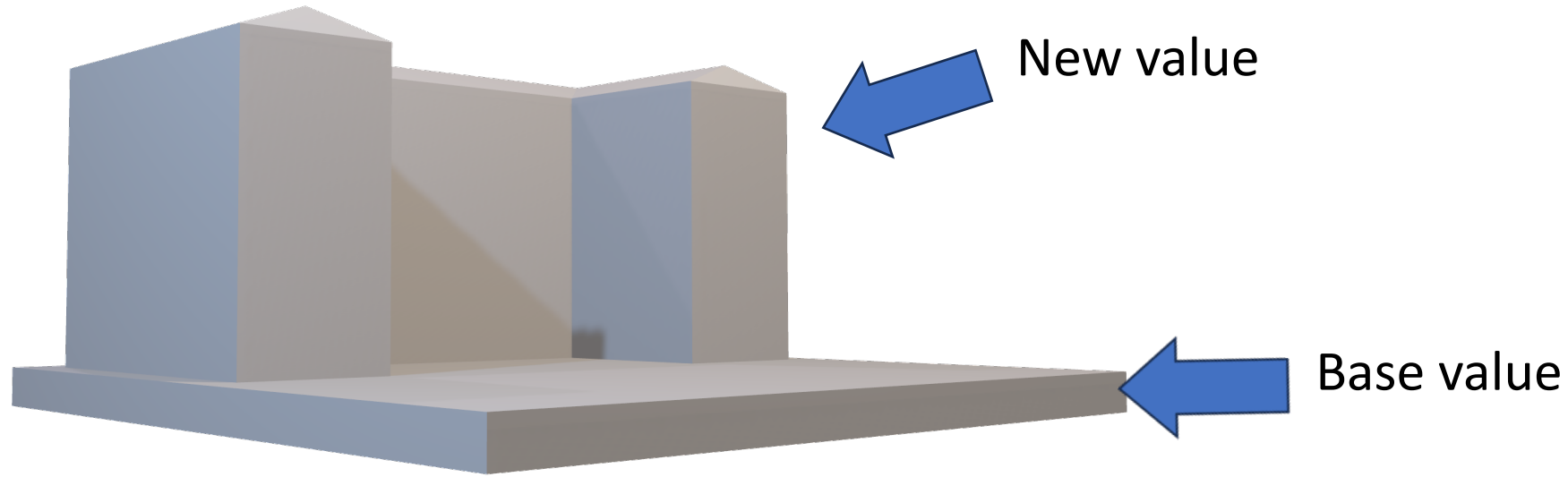
- The City is “on the hook” to cover TID costs if sufficient increment is not generated
- Bad development agreements can overly burden the TID

# TIF Basics

- **How does the TIF work?**

- When TID is created, parcels are identified to include in the TID
- At creation, the value of these parcels is excluded from the TID (base value)
- Taxes on the base value continue to the taxing jurisdictions as before (City, County, School District, Tech College)

# TIF Basics



New value in the TID is used to calculate the tax increment.  
All the taxes on the new value are collected by the TID and do not go to the taxing jurisdictions

# TIF Basics

- **Why?**
  - Why would the City and the other jurisdictions “give up” the tax revenue generated by the new development?
  - Because without the TID, the tax revenue wouldn’t be generated (so nothing is being given up)
  - The future tax revenue is used to offer incentive to developers to bring their development to Platteville



# TIF FAQs

- **If my parcel is in a TID will my taxes go up?**
  - No. The tax rate is the same whether the property is in or out of a TID.
- **Does being in a TID change how the property assessment is determined?**
  - No. Property in a TID is assessed the same way as other taxable property.

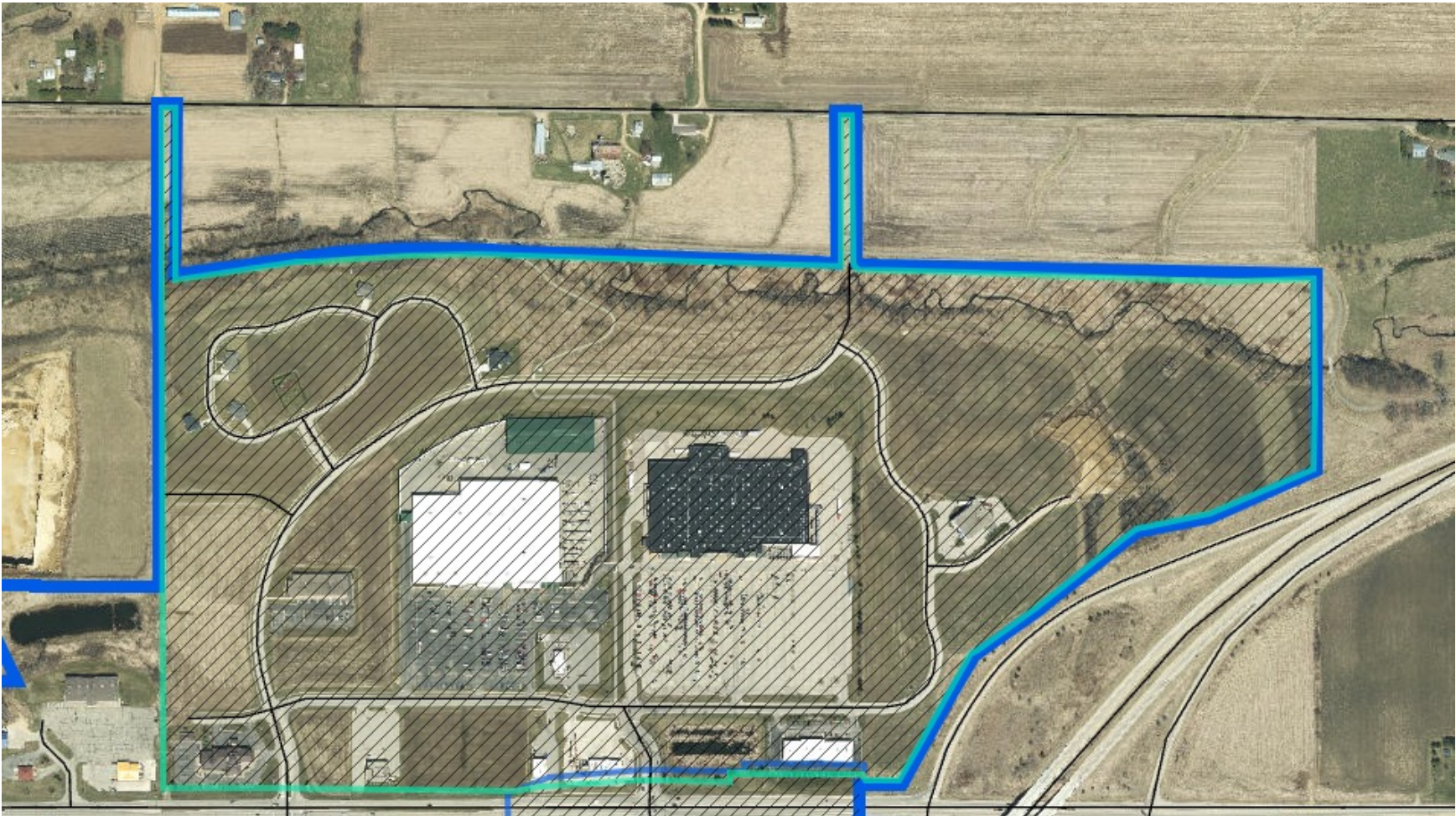


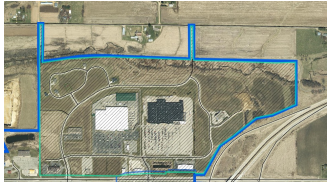
# Platteville TIF Districts

- **2022 Financial Results  
and Projections**

# TID 5

## Keystone Development





# TID 5

## Keystone Development

Creation Date	Last Date to Incur Project Charges	Dissolution Date	Type	Maximum Life	Extension Potential
6/28/2005	6/28/2020	6/28/2025	Mixed-Use	20	1 year

	Base	Added value			
		2019	2020	2021	2022
TID 5 Equalized Value	29,500	40,436,600	42,926,600	45,422,900	42,120,500
			6%	6%	-7%

2022 decrease due to State equalization process



# TID 5

## Keystone Development

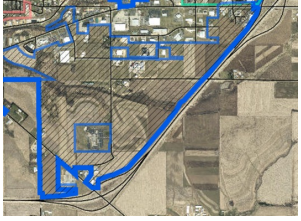
Type: Mixed-Use	Creation Date	Last Project Cost				Projected Total at Termination	
		6/28/2005	Date	6/28/2020	Dissolution		6/28/2025
		From Creation Through 2021	Actual	Projected			
		2022	2023	2024	2025		
<b>SOURCES OF FUNDS</b>							
Tax increments		12,536,350	900,567	791,547	866,587	866,587	15,961,638
Proceeds from long-term debt		3,700,000					3,700,000
Other		157,385	11,468	11,468	11,468	11,468	203,257
<b>Total Sources of Funds</b>		<b>16,393,735</b>	<b>912,035</b>	<b>803,015</b>	<b>878,055</b>	<b>878,055</b>	<b>19,864,895</b>
<b>USES OF FUNDS</b>							
Real Estate/Infrastructure/Site Development		6,875,368	3,113				6,878,481
Promotion/Development/Organizational costs		955,698	16,386	16,386	16,386	16,386	1,021,242
Administrative Costs		51,896	1,034	1,034	1,034	1,034	56,032
Debt service		5,837,648	368,064	184,039	-	-	6,389,751
Revenue sharing with TID 7		2,673,125	523,438	601,556	860,635	860,635	5,519,389
<b>Total Uses of Funds</b>		<b>16,393,735</b>	<b>912,035</b>	<b>803,015</b>	<b>878,055</b>	<b>878,055</b>	<b>19,864,895</b>
<b>ENDING FUND BALANCE (DEFICIT)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Revenue sharing with TID 7  
 Allocation of annual contribution to Incubator and GCEDC at \$16,387,  
 Current projection is for termination in 2025

# TID 6

## Southeast Area/Industrial Park





# TID 6

## Southeast Area

Creation Date	Last Date to Incur Project Charges	Original Dissolution Date	Type	Maximum Life	Extensions
3/28/2006	3/28/2021	3/28/2026	Mixed-Use	23	6 years

	Base	Added Value			
		2019	2020	2021	2022
TID 6 Eq. Value	7,740,400	33,345,200	34,811,300	37,354,200	38,053,000
		3%	4%	7%	2%

2019 – Ubersox/Paquette commercial/office building  
 2020 – IWI Motor Parts  
 2021 – State equalization process



# TID 6

## Southeast Area/Industry Park

Type: Mixed-Use	Creation Date	Last Project Cost					Standard Extension			Technical College Extension			Projected Total at Termination*	
	3/28/2006	Date	3/28/2021				3/28/2026							
	From Creation Through 2021	Actual	2022	2023	2024	2025	2026	Projected						
<b>SOURCES OF FUNDS</b>														
Tax increments	4,562,743	587,513	570,047	592,559	592,559	592,559	592,559	592,559	592,559	592,559	592,559	592,559	592,559	11,053,334
Proceeds from long-term debt	10,979,007													10,979,007
Other	857,623	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	3,329	894,242
<b>Total Sources of Funds</b>	<b>16,399,373</b>	<b>590,842</b>	<b>573,376</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>595,888</b>	<b>22,926,583</b>
<b>USES OF FUNDS</b>														
Real Estate/Infrastructure/Site Dev	3,808,303													3,808,303
Promotion/Development/Org costs	2,615,368	59,565	55,213	55,213	55,213	55,213	218,470	218,470	218,470	218,470	218,470	218,470	218,470	4,206,790
Administrative Costs	1,271,280	25,081	102,131	25,081	25,081	25,081	25,081	25,081	25,081	25,081	25,081	25,081	25,081	1,624,034
Debt service	9,104,594	679,346	684,746	664,571	654,572	643,571	478,500	515,000	-					13,424,900
<b>Total Uses of Funds</b>	<b>16,799,545</b>	<b>763,992</b>	<b>842,090</b>	<b>744,865</b>	<b>734,866</b>	<b>723,865</b>	<b>722,051</b>	<b>758,551</b>	<b>243,551</b>	<b>243,551</b>	<b>243,551</b>	<b>243,551</b>	<b>243,551</b>	<b>23,064,027</b>
<b>ENDING FUND BALANCE (DEFICIT)</b>														
	<b>(400,172)</b>	<b>(573,322)</b>	<b>(842,036)</b>	<b>(991,013)</b>	<b>(1,129,991)</b>	<b>(1,257,968)</b>	<b>(1,384,131)</b>	<b>(1,546,793)</b>	<b>(1,194,456)</b>	<b>(842,119)</b>	<b>(489,781)</b>	<b>(137,444)</b>	<b>(137,444)</b>	<b>(137,444)</b>

Anticipated Scannell development did not occur due to COVID-19 related supply chain issues and cost increases

Projection allocates PAIDC cost to new TIF #9 beginning in 2024

Standard & Technical College extensions have enabled the TID to recover most costs before closing, per projections

Extensions also expanded the period available for Southwest Health to recover infrastructure costs from tax increment generated by the SW Health development

With increased value and/or tax rate, anticipate all costs will be covered



# TID 7

## Downtown Area





# TID 7

## Downtown Area

Creation Date	Last Date to Incur Project Charges	Dissolution Date	Type	Maximum Life	Extension Potential
3/28/2006	3/28/2028	3/28/2033	Blight	27	6 years

	Base	Added value			
		2019	2020	2021	2022
TID 7 Equalized Value	29,515,000	45,903,900	49,841,000	51,724,300	51,829,200
		-3%	9%	4%	0%

2020 increase due to Ruxton development  
 2021 – State equalization process



# TID 7

## Downtown Area

Type: Blight	Creation Date	Last Project Cost						Dissolution	3/28/2033	Projected Total at Termination*
		3/28/2006	Date		3/28/2028		3/28/2033			
		From Creation Through 2021	Actual 2022	2023	2024	2025	2026	2027		
<b>SOURCES OF FUNDS</b>										
Tax increments		2,213,457	440,614	419,632	419,632	419,632	419,632	357,574	6,835,614	
Proceeds from long-term debt		10,790,000							10,790,000	
Other		1,962,639	11,024	11,024	11,024	11,024	11,024	11,024	2,094,927	
Guarantee payments per Developer Agreement		562,986	74,390	48,515	48,515	48,515	48,515	48,515	1,584,026	
Revenue sharing from TID 5		2,673,125	523,438	601,556	860,635	860,635	-	-	5,519,389	
<b>Total Sources of Funds</b>		<b>18,202,207</b>	<b>1,049,466</b>	<b>1,080,727</b>	<b>1,339,806</b>	<b>1,339,806</b>	<b>479,171</b>	<b>417,113</b>	<b>26,823,956</b>	
<b>USES OF FUNDS</b>										
Real Estate/Infrastructure/Site Development		5,771,260							5,771,260	
Develop. Grants, Loans & Loan Guarantees		3,550,000							3,550,000	
Promotion/Development/Organizational costs		272,812	53,886	53,886	53,886	53,886	62,080	62,080	985,196	
Administrative Costs		775,605	1,049	1,049	1,049	1,049	1,049	1,049	787,989	
Debt service		6,975,679	746,255	776,671	605,319	604,695	602,940	500,258	13,321,865	
Lease Payments to Developer		994,871	219,996	219,996	219,996	114,887	-	-	1,769,746	
<b>Total Uses of Funds</b>		<b>18,340,227</b>	<b>1,021,186</b>	<b>1,051,602</b>	<b>880,250</b>	<b>774,517</b>	<b>666,069</b>	<b>563,387</b>	<b>26,186,056</b>	
<b>ENDING FUND BALANCE (DEFICIT)</b>										
		<b>(138,020)</b>	<b>(109,740)</b>	<b>(80,615)</b>	<b>378,941</b>	<b>944,230</b>	<b>757,333</b>	<b>611,059</b>	<b>637,900</b>	

\*Current projection shows termination in 2033

Increment increase in 2021 from Ruxton development, decrease in 2027 ~\$90K when Library transfers to City  
Allocation of annual contribution to Incubator and GCEDC at \$16,387

# Summary



**TID 5** generation of tax increment is providing critical support for TID 7. The district is projected to close in 2025. A 1 year extension would be allowable for an affordable housing related project.



**TID 6** is anticipated to recover project expenses with the six years of extension plus allocation of PAIDC cost to new TIF #9. Debt structuring will cover the short-term deficit years.



**TID 7** is projected to cover project costs by end of life, due to the revenue sharing from TID 5 and the Ruxton development.

## Tax Incremental District (TID) Criteria Matrix

	Existing TID's	Blighted or Rehabilitation/ Conservation TIDs		Industrial or Mixed-Use TIDs		Town TIDs	Environmental Remediation (ER) TIDs
	Before Oct. 1, 1995	After Sept. 30, 1995 but before Oct. 1, 2004	After Oct.1, 2004	After Sept. 30, 1995 but before Oct. 1, 2004	After Oct. 1, 2004	After Oct. 1, 2004	After Oct. 14, 1997
Creation Resolution date	Before Oct. 1, 1995	After Sept. 30, 1995 but before Oct. 1, 2004	After Oct.1, 2004	After Sept. 30, 1995 but before Oct. 1, 2004	After Oct. 1, 2004	After Oct. 1, 2004	After Oct. 14, 1997
Expenditure period (5 yrs. before termination)	22 yrs. (6)(am) 1.			18 yrs. (6)(am) 1.	15 yrs. (6)(am) 1.	5 yrs. (6)(b) 1.	15 yrs.
Maximum life before extensions	27 yrs. (6)(a)2.	27 yrs. (6)(a)4.	27 yrs. (6)(a)8.	23 yrs. (6)(a)4m.	20 yrs. (6)(a)7.	16 yrs. (6)(a) 2.	23 yrs. (1)(i)
Extensions allowed	No	+ 4 yrs. (7)(am)1.	+ 3 yrs. (7)(am) 3.	No	+ 3 yrs. (7)(am) 2.	No	No
Maximum Life, if extension granted	27 yrs.	31 yrs.	30 yrs.	23 yrs.	23 yrs.	n/a	n/a
\$1,000 fee required for Creation or Territory Amendment	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Application due to DOR	n/a	October 31				December 31	December 31
Written notice of termination sent to DOR	Within 60 days of termination resolution (8)(a)					Within 10 days of termination resolution (10)(a)	Within 10 days of termination resolution (12)(a)
Final accounting to DOR after termination	DOR form PE-110 (TID Final Accounting Report) and Excel file <a href="#">or Final Audit Report</a> by agreed date (8)(c)					Feb. 15 of yr. after term. (10)(c), plus an annual accounting due May 15	Not later than 180 days (10)(d)
Overlaps allowed	Yes (10)	Yes (10)	Yes (10)	Yes (10)	Yes (10)	Yes (12)	No
Annexation restrictions	Just prior to creation or amendment	Just prior to creation or amendment	Yes (4)(gm)1.	Just prior to creation or amendment	Yes (4)(gm)1	Yes (17)	Yes (13)
Base Value Redetermination allowed	Yes (4m)(a)	Yes (4m)(a)	Yes (4m)(a)	Yes (4m)(a)	Yes (4m)(a)	No	No
Limitation restrictions	12% - denial (4)(gm) 4.c.					5% & 7% - denial (3)(h) 5.d.	None
Number of territory amendments	Up to four (4) times by subtracting or adding territory (or both) (4)(h)2.					Once during first 5 yrs. - no more than 2 yrs. expenditure (3)(j)2.	None
Municipal owned Real Property included in base unless Municipal Used (5)(bm)(c),(d)	No	Yes (5)(bm),(c), (d)	Yes (5)(bm),(c),(d)	Yes (5)(bm),(c),(d)	Yes (5)(bm),(c),(d)	Yes (3)(L)	No
Tax Increment Allocations	See <a href="#">Allocation Fact Sheet</a>						
Statute reference	Sec. 66.1105 and sec. 60.23					Sec. 60.85	Sec. 66.1106.

Tax Incremental District (TID) – Extension Types			
	Standard	Technical College	Affordable Housing
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Allows additional time to pay incurred project costs</li> <li>The extension does not change the expenditure period</li> </ul>	<ul style="list-style-type: none"> <li>Allows additional time to pay incurred project costs for TIDs affected by 2013 Act 145</li> <li>The extension does not change the expenditure period</li> </ul>	<p>Allows use of a final increment for affordable housing:</p> <ul style="list-style-type: none"> <li>At least 75% of the final increment must benefit affordable housing; remaining portion must be used to improve housing</li> <li>Resolution must specify how the municipality will improve housing stock</li> </ul>
<b>Number of additional years allowed</b>	<p><b>4 years</b> (municipal resolution adopted 10/1/95 - 9/30/04)</p> <ul style="list-style-type: none"> <li>Blight</li> <li>Rehabilitation/Conservation</li> </ul> <p><b>3 years</b> (municipal resolution adopted after 10/1/04)</p> <ul style="list-style-type: none"> <li>Blight</li> <li>Rehabilitation/Conservation</li> <li>Industrial</li> <li>Mixed-use</li> </ul>	<p><b>3 years</b></p>	<p><b>1 year</b></p>
<b>Availability</b>	TIDs listed above created under 66.1105, Wis. Stats.	Any TID created under 66.1105, Wis. Stats. with a municipal resolution before 10/1/14	Any TID created under 66.1105, Wis. Stats.
<b>Exclusions</b>	<ul style="list-style-type: none"> <li>TID with municipal resolution adopted before 10/1/95</li> <li>Industrial TID with municipal resolution adopted 10/1/95 - 9/30/04</li> <li>Town TID created under 60.85, Wis. Stats.</li> <li>Environmental Remediation TID</li> <li>Any donor Industrial or Mixed-use TID with municipal resolution adopted after 10/1/04</li> </ul>	<ul style="list-style-type: none"> <li>TID with municipal resolution adopted after 9/30/14 under 66.1105, Wis. Stats.</li> <li>Town TID created under 60.85, Wis. Stats.</li> <li>Environmental Remediation TID</li> </ul>	<ul style="list-style-type: none"> <li>Town TID created under 60.85, Wis. Stats.</li> <li>Environmental Remediation TID</li> </ul>
<b>Required resolutions*</b>	Joint Review Board	Joint Review Board	Municipal
<b>Information for resolution approval</b>	<ul style="list-style-type: none"> <li>Documents show the TID cannot repay project costs within its maximum life</li> <li>If an independent audit is provided, the JRB must approve the extension</li> </ul>	<ul style="list-style-type: none"> <li>Documents show the TID increments were negatively impacted by 2013 Act 145</li> <li>If an independent audit is provided, the JRB must approve the extension</li> </ul>	Documents show the TID has paid all its project costs
<b>Law reference</b>	<a href="#">66.1105(7)(am)1, 2, 3</a>	<a href="#">66.1105(7)(am)4</a>	<a href="#">66.1105(6)(g)</a>

\*Email the Wisconsin Department of Revenue a scanned copy of the adopted resolution to [tif@wisconsin.gov](mailto:tif@wisconsin.gov).