

# Kettle Park West Progression

**Concept Introduced for 30 Acres** to Planning Commission – Sept, 2010

**Large Retail Ordinance Review –**

Planning Commission – November, 2010  
Planning Commission – December, 2010  
Planning Commission – March, 2011  
Planning Commission – April, 2011  
Council – May, 2011

**Urban Service Area Amendment –**

Resolution to Submit USAA Materials to CARPC – Planning Commission – December, 2010  
Boundary Agreement Discussions with Rutland – Planning Commission – April, 2011  
**Approved by CARPC – June, 2011**  
Boundary Agreement with Rutland – Discussion by Planning Commission – October, 2011  
Boundary Agreement with Rutland – Discussion by Planning Commission – December, 2011  
Boundary Agreement with Rutland – Discussion by Planning Commission – January, 2012  
Boundary Agreement with Rutland – Discussion by Planning Commission – February, 2012  
Boundary Agreement with Rutland – Discussion by Planning Commission – March, 2012

**Traffic Impact Analysis**

Authorize JSD to Complete and Submit TIA to State – Planning Commission – August, 2011  
Authorize JSD to Complete and Submit TIA to State – Council – August, 2011  
  
Authorize JSD to Submit TIA to State – Planning Commission – September, 2011  
Authorize JSD to Submit TIA to State – Council – September, 2011

**138-51 Westside Neighborhood Plan**

Establish Framework for Neighborhood Planning Process – Planning Commission - Sept, 2011  
Neighborhood Plan Workshop – Planning Commission - November, 2011  
Draft Neighborhood Plan – Planning Commission - December, 2011  
Draft Neighborhood Plan – Planning Commission - January, 2012  
Draft Neighborhood Plan – Planning Commission - February, 2012  
Resolution to Amend Comp Plan and incorporate Neighborhood Plan – Planning Commission - April, 2012

**Comprehensive Plan Amendment**

Resolution to Amend Comp Plan and incorporate Neighborhood Plan – Planning Commission - April, 2012  
Ordinance to Amend Comp Plan and incorporate Neighborhood Plan – Council – June, 2012

**Annexation Process**

# Tax Increment Financing

An Intergovernmental/Private  
Partnership

City of Stoughton, Wisconsin  
Establishment of Tax Incremental District  
(Kettle Park West)

Schedule of Events		
Date	Event	Responsible Party
	Introduction of Council Resolution approving Project Plan and TID (Optional)	City
	Finalize Legal Notices for Plan Commission Public Hearing	Springsted/City/Attorney
	Form Joint Review Board	City/Mayor
	Send Letter and Legal Notice by Certified Mail to all other taxing jurisdictions <i>(prior to publication)</i>	Springsted/City/ Attorney
	Legal Notices delivered to newspaper	Springsted/City
	Send out Joint Review Board Agenda	Springsted/City
	1st insertion of Class 2 Legal Notice	City/Clerk
	Insertion of Class 1 Legal Notice noticing Joint Review Board	City/Clerk
	2nd insertion of Class 2 Legal Notice <i>(7 days after first insertion, 7 days prior to Public Hearing)</i>	City/Clerk
	1st meeting of Joint Review Board, chair is elected and citizen member is appointed <i>(within 14 days of first notice and prior to public hearing)</i> <i>Class 1 notice published at least 5 days prior</i>	City/Mayor
	Plan Commission Public Hearing	City
	Common Council Meeting approving Project Plan and adoption of "resolution" <i>(at least 14 days after Plan Commission Public Hearing)</i>	Springsted/City
	Insertion of Class 1 Legal Notice noticing Joint Review Board	City/Clerk
	Send out Joint Review Board Agenda & Creation Resolution	Springsted/City
	Joint Review Board Meeting takes action on creating the TID <i>(within 30 days after receipt of creation resolution)</i> <i>Class 1 notice published at least 5 days prior</i>	JRB Chair/City/Mayor
	Joint Review Board submits decision to City <i>(within 7 days after decision made)</i>	JRB Chair
	Submit TID to Department of Revenue	Springsted/City

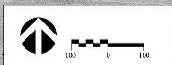


# KETTLE PARK WEST

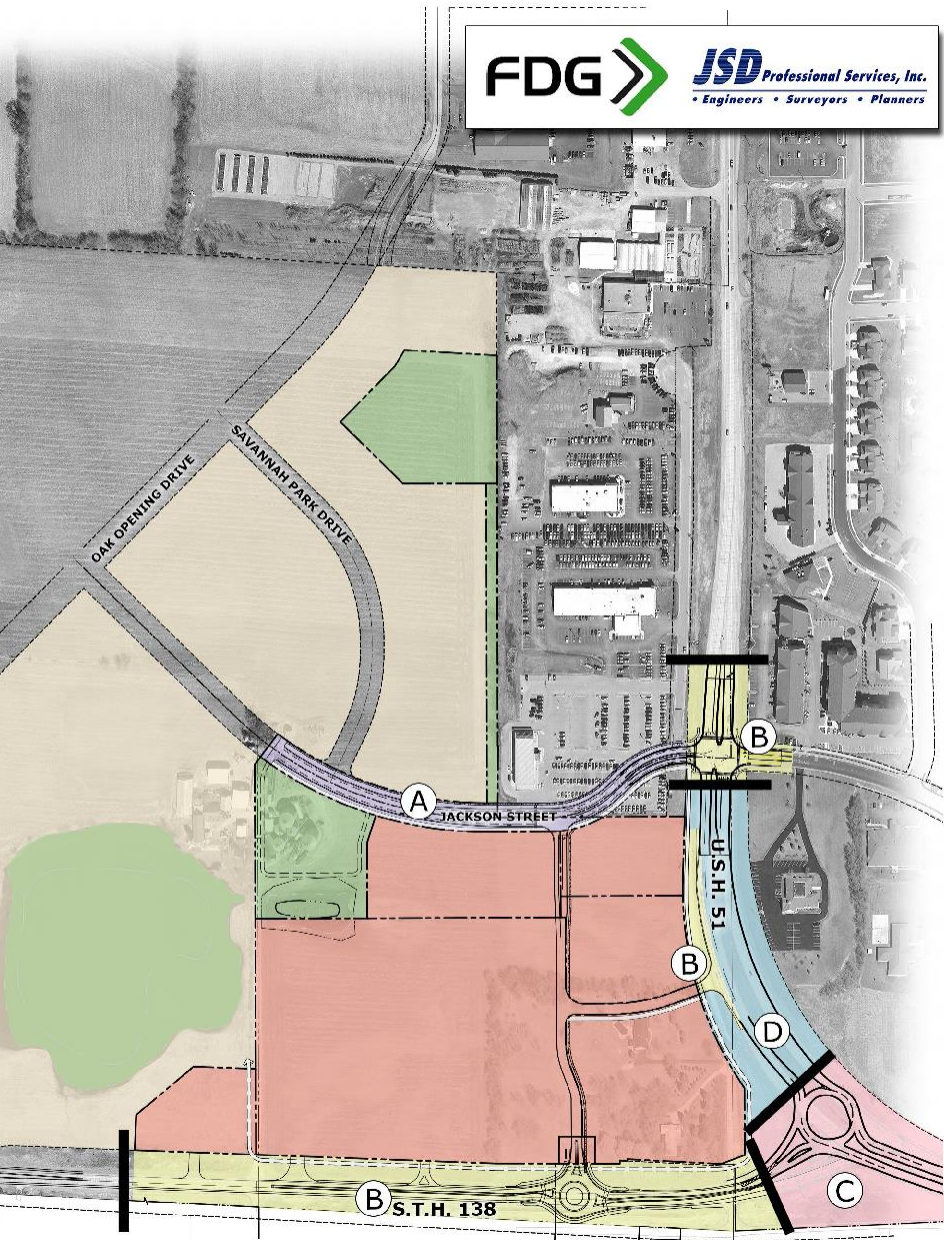


**JSD** Professional Services, Inc.  
• Engineers • Surveyors • Planners

LEGEND	
	KETTLE PARK WEST COMMERCIAL CENTER
	FUTURE KETTLE PARK WEST DEVELOPMENT
	STORMWATER INFILTRATION
	JACKSON ST. - COMPLETE OCT. 2014
	USH 51 & STH 138 COMPLETE OCT. 2015 (INCL. TEMPORARY SIGNALS AT USH 51 & STH 138)
	USH 51 & STH 138 ROUNDABOUT COMPLETE OCT. 2017 (PENDING FUNDING)
	WINDOT USH 51 REHAB PROJECT DATE TO BE DETERMINED
REVISED 01-15-2014	



**PUBLIC INFRASTRUCTURE IMPROVEMENT EXHIBIT**



# Terms

- **"TID"** – a Tax Increment District; the contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposes
- **"TIF"** – Tax Incremental Financing; a financing tool available to Cities, Villages and Towns to encourage economic development that would not occur without public assistance.
- **"Base Value"** – the aggregate value, as equalized by DOR, of the real, personal, nonexempt municipal-owned property located within the TID as of the valuation date.
- **"Tax Increment"** – the taxes levied by all overlying taxing jurisdictions on the value between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the project plan

# What is TIF?

- A financing tool that allows municipalities to invest in infrastructure and other improvements, and pay for these investments by capturing property tax revenue from the newly developed property.
- Before TIF, when a community installed public improvements to promote development, its property owners bore these costs, but all taxing entities that shared the increased tax base benefitted.
- All Taxing entities become partners to promote expansion of their tax base.

# The “but for” Test

“But for” the use of TIF, this development would not happen.

TIF law requires the Joint Review Board (JRB) to make the “but for” finding

# Joint Review Board

Each tax district involved participates in the TIF partnership and has representation on the Joint Review Board

- Municipal Representative
- School District Representative
- Technical College Representative
- County Representative

If it can be concluded that growth **would not** have occurred without the assistance of TIF, it is ultimately beneficial to all taxing jurisdictions finances.



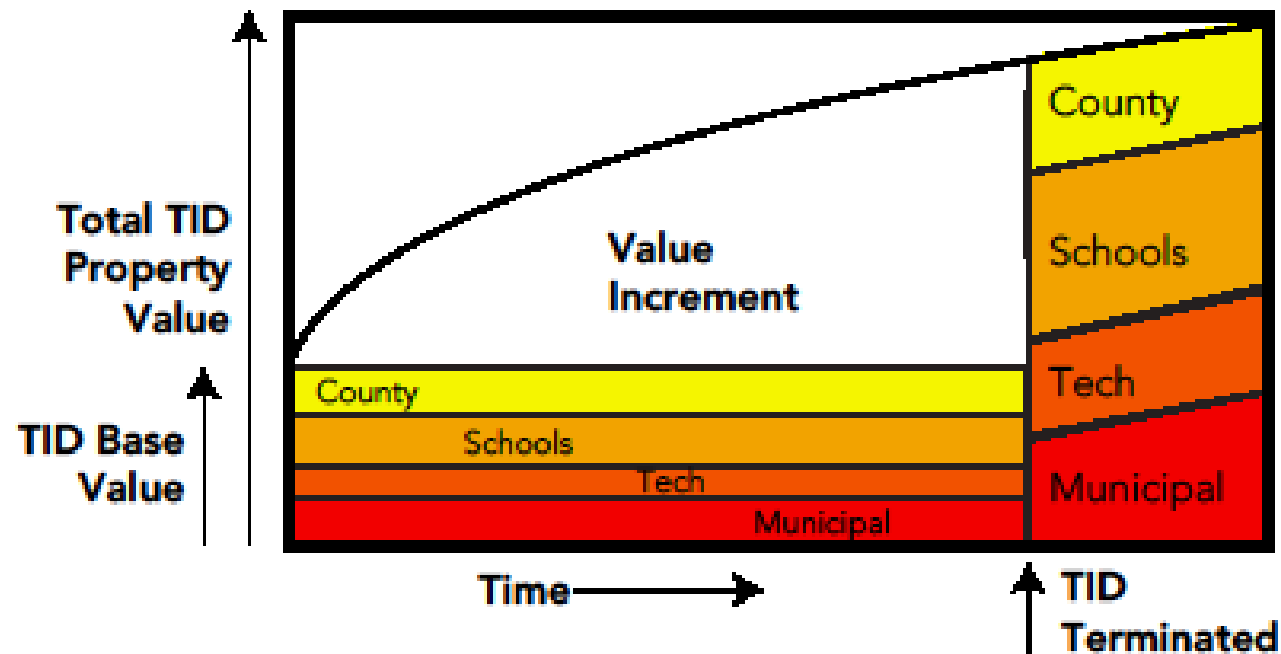
# How are other Taxing Entities Affected?

- Creating a TID affects all levels of local government
- Local governments agree to constrain their ability to raise revenue in that specific district for a number of years, in exchange for higher property values in the future.
- Because all units of local government will ultimately benefit from higher property values, they too should share in repaying the costs of the development.

# Tax Sharing

Figure 1

Value Growth and Tax Sharing in TIF



# How does TIF work?

- Normal operations of taxing jurisdictions are supported by existing tax base.
- Tax increment does not increase taxes for property owners.
- Generated within the TID from the increase in those property values (tax increment).
- TIF is not a tax freeze nor a tax increase, but a special allocation method for taxes collected on property value within the district.

# How is TIF used?

TIF use varies from project to project.

- Municipal Led Projects
  - Municipality designs and constructs improvements
  - Marketing
    - Business Park North
- Developer Led Projects
  - Developer identifies a site they want to locate
  - TIF is used to fund some improvements

# Potential Benefits of TIF Use

- Increased property value
- Employment
- Catalyst for further development
- Leveraging other monies

# Risks

- Over-investing
- Under-investing
- Impacts of growth
- Development risks

# Process

- The Planning Commission initiates the process
  - Develops the project plan
  - Publish a public Hearing notice and notice the other taxing jurisdictions.
- City Council reviews the planning commission recommendations and approves the project plan, creates the district and the boundaries.
- Convene a JRB Meeting- Hold Joint Review board meeting to review and approve the proposal.
- Planning Commission Holds a public Hearing
- Council Approves the Project Plan
- Council adopts the Creation Resolution and establishes the creation date
- Joint Review board approves the proposal
- Submit application to the Department of Revenue

# TIF Myth's

- Myth #1 - Developers benefit from TIF
- Myth #2 - Property owners pay for TIF
- Myth #3 - TIF districts do not pay taxes
- Myth #4 - The city does not receive tax until the TIF is paid off



# Stoughton's TIF Districts

- TID #3 – Business Park North
  - Base Value = \$94,000
  - Increment Value = \$15,733,200
  - New Value= \$15,827,200
- TID #4 – Downtown
  - Base Value = 9,765,300
  - Increment Value = \$11,178,900
  - New Value = \$20,944,200
- TID #5 – Redevelopment
  - Base Value = \$19,250,500
  - Increment Value= \$1,237,900
  - New Value= \$20,488,400

# Summary

- In a TIF district, public investments are made to encourage growth and redevelopment.
- Because TIF spreads the cost of development out to all of those who will enjoy it, it is considered by many to be the most equitable means of stimulating and financing new infrastructure and development.
- TIF debt is viewed positively by Credit Rating Bureau's in part because of use of TIF districts to stimulate industrial and commercial development.
- Careful planning and the use of Development Agreements help to mitigate the risk to the Municipality.
- As TIF districts mature, the incremental tax revenue gained from new developments is applied to the tax levy providing a benefit for every taxpayer.