

October 21, 2014

TO: City Council Alderpersons  
City of Stoughton, Wisconsin

FROM: Mary C. Bujold  
Maxfield Research Inc.

RE: TIF FINANCING FOR KETTLE PARK WEST

There has been much discussion regarding the proposed tax increment financing that is being undertaken for Kettle Park West. The intent of this statement is to clarify the purpose and objectives regarding why tax increment is being considered for this development.

Kettle Park West is the first phase in the part of a larger plan for growth and development of the West Side Neighborhood. The City completed a plan for the West Side neighborhood a number of years ago, which was intended for the future growth of the community, commercially and residentially.

The commercial component of the West Side Neighborhood plan is the area that is under consideration for Kettle Park West. The Tax Increment Financing package that has been developed for Kettle Park West is intended to support the long-term infrastructure components for roadways, sewer and water and stormwater management that will be needed in the future for the West Side Neighborhood to develop. In undertaking the TIF, the City is having this infrastructure developed for the future benefit of the West Side neighborhood and to support the growth of the community as a whole. The items being supported through the TIF are those of overall city services, not specific assistance to any one commercial user in the development. All construction of the buildings and parking areas are being undertaken by the private sector. Access to the property and the infrastructure components are what is being financed by the City through the TIF.

At some time, these infrastructure improvements would have to be completed to support the development of the West Side Neighborhood. The timing of this project is such that these improvements are being considered now as a part of Kettle Park West.

The City has put in place guarantees with the developer to have these improvements paid for by Kettle Park West with the intention that the benefits being derived by the retailers from the roadway improvements and the other infrastructure components will also benefit KPW as well as the City as a whole for the future.

These improvements will also benefit any future development that is supported in the West Side Neighborhood. In essence, the TIF is a long-term support for the overall growth and development of this area of the City, not specifically isolated to Kettle Park West.

The TIF financing package as outlined by the City is not directly assisting Kettle Park West commercial users, but indirectly providing the infrastructure that will be needed for Stoughton as it moves forward with future development of the entire West Side Neighborhood.

Under the current agreement, the developer is now carrying 100% of the risk of the repayment of the TIF financing to the City.