



**Department of Administration
Intergovernmental Relations Division**

Tom Barrett
Mayor

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To: Senate Committee on Government Operations and Consumer Protection and
Assembly Committee on Ways and Means
From: Kimberly Montgomery, City of Milwaukee
Re: Senate Bill 263 and Assembly Bill 349 - Applying financial accountability provisions that currently
apply to certain tax incremental districts to all tax incremental districts created by a city or
village.

As the State Legislature deliberates the viability of SB 263/AB 349, the City of Milwaukee appreciates the opportunity to provide comments regarding its opposition to the above-mentioned bills, for your consideration.

While Tax Increment Districts (TIDs) are a helpful tool to promote economic development and area redevelopment projects, cities, villages and towns use TIDs in a variety of ways. Like other municipalities, the City of Milwaukee tries to use TIDs to its greatest advantage.

SB 263/AB 329 would reduce a municipality's flexibility for project implementation on TIDs by limiting the time period of projects, financing or pay-off period. It would add additional restrictions to the expenditure period by reducing the time period in which a municipality could implement their project plans by almost in half.

This legislation could restrict the district's pay-off period to 90% of the legal life of the TID which is 27 years. A TID's expenditure period could be potentially constricted by this bill, as well. A shortened expenditure period could prevent a municipality from attracting development needed for additional revenue for project cash flow and loan repayment.

Although, the City of Milwaukee is not reluctant to use Developer Financed options, and has when appropriate, the cost of funds would be higher for the municipality and many times not appropriate.

Within the City of Milwaukee multiple TIDs have been created by paying for public improvement costs necessary to attract a private developer into a particular re-development area, without the intention of a specific private development identified. For example, the Park East, Menomonee Valley, 30th Street Corridor, and most Industrial Research Parks, just to name a few.

Thank you for considering our comments and concerns about SB 263 and AB 349.