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FOR INFORMATION CALL

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Ald. Michael D'Amato
Ald. Michael Murphy
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Major Success Story: Council Approves Dissolving Three Tax Incremental Districts *Retirement of TIDs Frees Up Instant New Tax Revenue of More Than \$2.3 Million*

The Common Council today approved dissolving three tax incremental financing districts that will immediately add \$2,375,000 in annual tax revenue to the City of Milwaukee.

The three TID districts – also called tax incremental financing or TIF districts – are the Theater District (Milwaukee Center), Historic Third Ward, and Park East II (East Pointe Commons). Together, the three districts hold a 2005 property value of \$270,000,000 for general levy purposes. At the city tax rate of \$8.74 per \$1,000 of assessed value, the districts will now generate \$2,375,000 of new revenue for the city, said Ald. Michael S. D'Amato, chairman of the council's Zoning, Neighborhoods & Development and Judiciary & Legislation Committees.

"The best way for Milwaukee to control our tax rate is through the continued growth of our city," said Ald. D'Amato, chair of the council's Zoning, Neighborhoods & Development and Judiciary & Legislation Committees.

"These three (TID) districts alone will add \$2.375 million annually to our tax base, which helps relieve the property tax pressure that every city property owner feels," Ald. D'Amato said.

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Council Approves Dissolving TIDs/ADD ONE

Ald. D'Amato noted that according to data from the city Assessor's Office, in 2005 the city tallied more than \$460 million in net new construction – the greatest single year increase ever in Milwaukee history. “It is important for people to recognize that \$460 million in new construction equates to more than \$4 million annually in additional city taxes paid into city coffers, acting as tax relief for all taxpayers,” said Ald. D'Amato.

“Milwaukee is in a growth boom and that's good news for the entire metro area,” Ald. D'Amato said.

Ald. D'Amato expressed particular appreciation for the retirement of the Park East II TID (East Pointe Commons, created in 1996), located in his 3rd Aldermanic District but also the first such district created and retired during his 10-year tenure as alderman. The Theater District TID was created in 1985, and the Historic Third Ward TID was created in 1988.

The City of Milwaukee has used tax incremental financing for more than 50 redevelopment projects since 1977, creating \$1.8 billion in new tax base. Currently the city has more than 30 active TIF districts that are fostering growth and development in areas all over the city, Ald. D'Amato said.

Ald. Michael J. Murphy, chair of the council's powerful Finance & Personnel Committee and the longest-serving current member, said the dissolution of the three TIDs clearly shows that the Common Council “has utilized the TID as a powerful economic development tool.” “We are talking about three districts that combined had an original base property value of about \$31.2 million, and today those same districts are valued at more than \$270 million – that's a major positive in terms of adding value to our tax base and to the vitality of our city's quality of life amenities,” said Ald. Murphy.

Tax incremental financing enables the city to assist development projects by using borrowed money to support project costs in areas such as public infrastructure, environmental remediation or other areas where developer costs are extraordinary. Borrowed funds used in TIF projects are repaid using new taxes generated by added property value in the project area once the new development is completed. When the amount of the TIF borrowing is paid off – as in this case – the additional tax revenue is then added to the city's general fund.