

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

FEBRUARY 23, 2010

Item 2, File #091152

File Number 091152 is a resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 34 (Third Ward Riverwalk) to provide funding for 2 street-paving projects located within one-half mile of the District's boundary.

Background

1. On September 23, 1997, the Common Council adopted File No. 970388, a resolution creating Tax Incremental District No. 34 (Third Ward Riverwalk) and approving its Project Plan. This TID was created for the purpose of funding the extension of the City's Rivewalk system from Clybourn Street to Broadway.
2. Section 66.1105(4)(b)(1) of the Wisconsin Statutes permits a redevelopment authority, subject to the approval of the legislative body (e.g., common council), to amend the project plan for a tax incremental district.
3. Section 66.1105(2)(f), Wis. Stats., allows for tax incremental financing to be used to fund the costs of public works or improvements outside a tax incremental district but within one-half mile of the district's boundaries.
4. Common Council File No. 090706, adopted October 13, 2009, directed the Commissioner of City Development to prepare amendments, for TIDs likely to be closed out in 2011 or 2012, to include as project plan elements and project costs all street-paving projects anticipated to occur within the districts or within one-half mile of district boundaries in 2011-2016. In response, the Commissioner identified 2 street-paving projects located within one-half mile of TID No. 34 and prepared an amendment – Amendment No. 1 – to the Project Plan for TID No. 34.

Discussion

1. This resolution approves Amendment No. 1 to the Project Plan for Tax Incremental District No. 34. The Amendment adds the paving of the following street segments, at an estimated cost of \$395,000, to the Project Plan:
 - N. Plankinton Avenue between W. Wisconsin Avenue and W. Wells Street
 - N. Edison Street between E. State Street and E. Juneau Avenue
2. Currently, TID No. 34's net project costs to be recovered through tax incremental revenues total \$6,839,531. Total tax increments levied as of December 31, 2009, were \$8,869,670. Therefore, the District is eligible to be closed out in 2010. The addition of the \$395,000 for the 2 street-paving projects, which are anticipated to occur in 2010 or 2011, will not significantly delay the closing-out of the TID and will still leave a net surplus of over \$1.6 million.

Fiscal Impact

This resolution approves tax incremental district capital expenditures of \$395,000 for street-paving projects within one-half mile of the boundary of Tax Incremental District No. 34. As mentioned above, these additional project costs will not significantly impact the timely closing-out of the District or the surplus the District has achieved to date.

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