



Wauwatosa, WI

Financial Affairs Committee

Meeting Agenda - Final

Tuesday, May 12, 2026

7:30 PM

Committee Room #1 and Zoom:
<https://servetosa.zoom.us/j/82091946645>,
Meeting ID: 820 9194 6645

Regular Meeting

HYBRID MEETING INFORMATION

Members of the public may observe and participate in the meeting in-person or via Zoom at the link above. To access the Zoom meeting via phone, call 1-312-626-6799 and enter the Meeting ID.

CALL TO ORDER

ROLL CALL

FINANCIAL AFFAIRS COMMITTEE ITEMS

1. Consideration of approval of an intergovernmental cooperation agreement with the City of Milwaukee for apparatus repair and maintenance services [26-0711](#)
2. Consideration of request for Level Three fund transfer for the recently awarded Firefly Grove Wetland grant in the amount of \$121,000 [26-0815](#)
3. Consideration of creating Tax Increment District No. 17, approving its project plan and establishing its boundaries [26-0780](#)
4. Consideration of amendment to the 2026 budget to reflect 2025 capital project carryovers [26-0052](#)
5. Presentation of 2025 Other Fund Results and Fund Balance Policy and consideration of issuance of an employee health insurance dividend [26-0736](#)
6. Report from the Finance Department on the 2026 First Quarter General Fund Financial Results [26-0054](#)

ADJOURNMENT

NOTICE TO PERSONS WITH A DISABILITY

Persons with a disability who need assistance to participate in this meeting should call the City Clerk's office at (414) 479-8917 or send an email to tclerk@wauwatosa.net, with as much advance notice as possible.



To: Financial Affairs Committee
From: Barbara J. Kadrach, Fire Chief
Date: March 10, 2026
Subject: Apparatus Repair/Maintenance Intergovernmental Cooperation Agreement with the City of Milwaukee

A. Issue

The fire department is requesting approval of the intergovernmental cooperation agreement (IGA) for the repair and maintenance of fire apparatus with the City of Milwaukee.

B. Background / Options

Fire apparatus, including fire trucks, emergency vehicles, and specialized equipment, are essential for public safety and require substantial financial investment and ongoing maintenance. Given the high costs associated with maintaining these vehicles, entering into an IGA allows local municipalities to share these expenses and responsibilities.

The City of Milwaukee Fire Department (MFD) has agreed to provide fleet maintenance services to shared service fire departments as their workload allows. Hourly rates fluctuate based on the services provided but we will only be charged the actual hourly wage of the technician +10% overhead costs and parts for repairs. For example, a MFD mechanic rate is a max of \$48.80/hr versus the \$185/hr we are currently paying for a 3rd party vendor. This IGA does not require us to use MFD solely but rather gives us additional options.

We have had extremely positive experiences with the MFD repair shop over the last few years. During the timeframe when our fire mechanic position was vacant, MFD agreed to help us out and made numerous emergency repairs all without issue. We are confident that this quality and cooperation will be enhanced with this formal agreement.

C. Strategic Plan (Area of Focus)

Infrastructure





D. Fiscal Impact

This IGA will allow for more cost-effective repairs and better utilization of our equipment repair budget. There are no additional costs to the operating budget with approval of this IGA.

E. Recommendation

Recommend approval of intergovernmental cooperation agreement for repair and maintenance of fire, rescue, and emergency medical equipment and materials with the City of Milwaukee.



**INTERGOVERNMENTAL COOPERATION AGREEMENT
FOR REPAIR AND MAINTENANCE OF FIRE, RESCUE, AND EMERGENCY MEDICAL
EQUIPMENT AND MATERIALS**

This Intergovernmental Cooperation Agreement (“Agreement”) is entered into between the City of Milwaukee and the municipality requesting repair or maintenance services, each a Wisconsin municipal corporation, acting by and through its fire department or fire and emergency services departments jointly owned and operated by Wisconsin municipal corporations, and each with proper authorization to execute this Agreement (herein referred to collectively as the “Parties” or the “Departments” and individually as a “Party” or a “Department”). This Agreement is effective as of the date signed by both of the Parties (“Effective Date”) and is made pursuant to Wis. Stat. §§ 66.0301 and 66.03125.

1. AUTHORITY

Each Party to this Agreement represents that they, and their signatories, possess the legal authority to enter into this Agreement and to validly and legally bind their respective Party to all terms of the Agreement.

2. PURPOSE

The Milwaukee Fire Department (“MFD”) will provide repair and maintenance services to equipment of the requesting Department for payment and under the terms set forth herein. The types of equipment for which MFD will provide repair and maintenance services include but are not limited to the equipment types listed in Appendix A. The hourly rates of labor, exclusive of any costs for parts, are those listed in Appendix B unless otherwise specified in writing between the Parties. Appendix A and Appendix B are incorporated into this Agreement.

The Parties do not intend to form any joint venture or partnership under this Agreement. It is further the intent of the Parties that a Party to this Agreement shall not be liable for the acts, undertaken pursuant to this Agreement, of the other Party or the other Party’s officers and employees.

3. TERM

This Agreement shall take effect upon the Effective Date and continue in force and effect until terminated. A Party may terminate this agreement for any reason upon no less than 30 days’ written notice to the other Party prior to the effective date of termination. A Party’s termination of this agreement shall not relieve it of any obligations arising from this Agreement as a result of services performed prior to termination, from any damages or liabilities arising from breach of this Agreement, or from any liability to third parties for the acts and omissions of a Party or its employee under this Agreement.

4. MFD ROLES AND RESPONSIBILITIES

- a. To provide notice to the other Department of one or more representatives who has authority to receive requests for repair or maintenance services and who may authorize MFD employees to engage in such repair and maintenance service work.
- b. To provide, in writing and in advance of providing services, an estimate as to costs of repair or maintenance, if requested by a Department.

- c. To provide to the requesting Department by email and on a quarterly basis (by January 31, April 30, July 31, October 31), an invoice itemizing all costs relating to the repair or maintenance services completed.
- d. To decide whether it is more feasible to perform the repair or maintenance service at an MFD facility or at the facility of the requesting Department. If MFD believes it is more feasible to perform the services at the requesting Department, MFD shall inquire as to the dates and times when services may be performed.
- e. To decline the repair or maintenance service request if MFD reasonably believes it does not have capacity or availability to perform such request.
- f. MFD may provide "emergency" service for the assessment, repair, or maintenance of equipment or for the transition of a vehicle into a temporary operational status (i.e. enabling a vehicle to be towed following an accident) at its discretion. Emergency service may incur additional charges reflecting the time of request, reprioritized existing work, overtime rates, etc. Emergency service means that a request for service contemplates service within the 48-hour period in which the request is made.

5. ROLES AND RESPONSIBILITIES OF THE REQUESTING FIRE DEPARTMENT

- a. To provide notice to MFD of one or more representatives who shall have the authority to make requests for repair or maintenance services and to authorize payment for same.
- b. To provide, in writing, a request reasonably itemizing the items to be repaired or maintenance services to be performed.
- c. To request an estimate of costs, if desired.
- d. If the equipment is to be serviced or repaired at an MFD facility, to transport the equipment to and from the MFD facility. If MFD determines that repair or maintenance services will be performed at the facilities of the requesting Department, the requesting Department shall reasonably provide instruction with regard to the times, dates, and other circumstances related MFD's travel to the requesting Department's facilities.
- e. To provide any objection as to any invoiced costs, within 10 business days of receiving the email containing the invoice, and stating the reasons for the objection.
- f. To provide payment, within 30 days of receipt of invoice, to the City of Milwaukee for all invoiced costs.

6. NOTICE

Any communication, notice, or demand of any kind whatsoever which either Party may be required or may desire to give to or serve upon the other shall be in writing and delivered by a nationally recognized overnight courier service with proof of delivery, by registered or certified mail, postage prepaid, return receipt requested, or by email communication addressed as follows:

<u>Milwaukee Fire Department</u>	<u>Requesting Department</u>
<u>Name:</u> Amanda Lewis <u>Title:</u> Business Finance Manager <u>Address:</u> 711 W Wells Street, Milwaukee WI 53233 <u>Email:</u> amlewis@milwaukee.gov <u>Telephone:</u> (414)286-5205	<u>Name:</u> <u>Title:</u> <u>Address:</u> <u>Email:</u> <u>Telephone:</u>

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Any Party may change its address for notice by written notice given to the other in the manner provided in this Section 6. Any such communication, notice, or demand shall be deemed to have been duly given or served on the date personally served, if by personal service or email (provided that if email is received later than 5:00p.m. Central time, such notice will be deemed given on the following business day), or three (3) days after being placed in the U.S. Mail, if mailed. Counsel for a Party may give or receive notice or demand on behalf of such Party, and such notice or demand shall be treated as being sent or received by such Party.

7. WARRANTY

Unless specified otherwise and in writing, any repair or maintenance service work performed by MFD is "as is" and without any express or implied warranty of any kind, including any warranty of merchantability or of fitness for a particular purpose. The Department requesting services is solely responsible for completing due diligence as to whether any repair or maintenance is permitted under any existing warranties or instructions given by the equipment manufacturer or other service provider regarding the equipment. To the extent feasible and allowable, MFD shall pass on to the requesting Department any manufacturer guarantees or warranties applying to parts used by MPD in repairs or maintenance services.

8. EMPLOYEE STATUS

Nothing in this Agreement shall alter the employment status of any employee providing services under this Agreement. Employees shall at all times continue to be subject to all standards of performance, disciplinary rules, and other terms and conditions of their respective employers. No Department shall be responsible for the direct payment of any salaries, wages, compensation, or benefits for the employees of another Department under this Agreement. For purposes of clarity, invoiced time for labor does not constitute direct payment of salaries, wages, compensation, or benefits.

9. LIABILITY

Each Department shall be solely responsible for the acts of its own employees under this Agreement. Any employee, while providing services under this Agreement, shall be considered to be acting under the scope of employment of his or her employer, and shall be covered by his or her employing Department for the purposes of workers' compensation and unemployment insurance benefits.

In the event any employee performing any act or omission pursuant to this Agreement and within the scope of employment under the meaning of Wis. Stat. § 895.46 is named as a defendant party to any state or federal civil lawsuit alleging personal injury or personal property damages by a third party, such employee shall be entitled to the same defense or indemnity that he or she would be entitled to receive had such civil action arisen out of an official act within the scope of his or her duties as a member of the Department where regularly employed and occurred within the jurisdiction of the governmental entity where regularly employed, and supplied by the Party where the employee is regularly employed.

10. NO WAIVER

The Departments acknowledge that they are governmental entities entitled to immunity or other protections under statutory law and common law, including but not limited to sections 893.80 and 895.46

of the Wisconsin statutes, and the Departments agree that nothing contained herein is intended as a waiver of any defenses, immunities, or limitations to which they are entitled under statutory or common law.

11. CHOICE OF LAW AND VENUE

This Agreement shall be governed and construed in accordance with the laws of the State of Wisconsin, and the Parties agree that for any claim or suit or other dispute relating to this Agreement that cannot be mutually resolved, jurisdiction and venue shall be in Milwaukee County, Wisconsin, for matters arising under state law or, should federal courts have jurisdiction, the eastern district of Wisconsin. The Parties agree to submit themselves to the jurisdiction of said courts, to the exclusion of any court that may have jurisdiction over such a dispute according to any other law.

12. PUBLIC RECORDS

The Parties understand and agree that they are each Authorities under the Wisconsin Public Records Law, Wis. Stat. § 19.21, et seq. Irrespective of any other term of this Agreement, the Parties shall retain Records for no less than seven years from the date of the Record's creation. This term shall survive for a period of seven years after termination or expiration of this Agreement.

13. AUDIT

At any time during normal business hours and as often as the City of Milwaukee, or if federal or state grants or aids are involved, as the appropriate federal or state agency may deem necessary, there shall be made available to the City of Milwaukee or such agency for examination all of a Department's records with respect to all matters covered by this Agreement, and a Department requesting services from MFD shall permit the City of Milwaukee or such agency to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.

14. NONDISCRIMINATION

It is the City of Milwaukee's policy not to discriminate against any qualified employee or qualified applicant for employment because of an individual's sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, victimhood of domestic abuse or sexual assault, past or present membership in the military service, HIV status, domestic partnership, genetic identity, homelessness, familial status, or an individual's affiliation or perceived affiliation with any of these categories ("Protected Classes"), pursuant to Milwaukee Code of Ordinances (MCO) Section 109-9. Contractors, including Parties to this Agreement, and their subcontractors employing any resident of the City of Milwaukee may not discriminate against any member of the Protected Classes, and such contractors must insert this clause into any subcontracts of subcontractors employing any resident of the City of Milwaukee.

15. ENTIRE AGREEMENT

This Agreement represents a complete understanding of the Parties with respect to the subject matter referred to herein and may not be amended except in writing. This Agreement may be executed in multiple counterparts or duplicate originals, each of which shall constitute and may be deemed as one in the same document.

This signatory certifies that this Intergovernmental Cooperation Agreement has been adopted and approved by resolution or other manner allowed by law.

<p>CITY OF MILWAUKEE</p> <hr/> <p>Aaron D. Lipski, CHIEF</p> <p>DATE: _____</p> <p>Resolution: _____</p> <p>COMPTROLLER:</p> <p>BY: _____</p> <p>DATE: _____</p> <p>APPROVED AS TO FORM AND EXECUTION:</p> <p>BY: _____</p> <p>DATE: _____</p>	<hr/> <p>MUNICIPALITY</p> <p>BY: _____</p> <p>NAME: _____</p> <p>TITLE: _____</p> <p>DATE: _____</p> <p>Resolution: _____</p> <p>COMPTROLLER:</p> <p>BY: _____</p> <p>DATE: _____</p> <p>APPROVED AS TO FORM AND EXECUTION</p> <p>BY: _____</p> <p>DATE: _____</p>
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Appendix A

Types of Equipment

Vehicles	
Ambulance	20 MRU (Maintenance and Repair Unit)
Engine / Pumper	24 MRU
Heavy Rescue	67 MRU
Truck / Aerial Ladder	33 MRU
Battalion Chief Response Vehicle (Large SUV)	8 MRU
Staff Vehicle (SUV, Non-response)	8 MRU
Staff Vehicle (Automobile, non-response)	2 MRU
Support Vehicle	2 MRU

Equipment	
Self-Contained Breathing Apparatus (MSA)	
Self-Contained Breathing Apparatus (Other manufacturer)	
Fire Hose (Attack)	
Fire Hose (Supply)	
Extrication Equipment (Hydraulic)	
Saws (gas-powered)	
Cots (Stryker)	

Appendix B

Labor Rates

Rates for labor will be billed at 1.5x the pay range hourly rate of the applicable job code(s) listed below as specified at in the City of Milwaukee Salary Ordinance the time of completion of repair or service. An overhead rate of 10% shall be added to the hourly labor rate as appropriate for the associated logistics of a repair or service.

Type	Job Code	Pay range
Emergency Vehicle Mechanic 4	EVM4 – 7533	7HN
Emergency Vehicle Mechanic 3	EVM3 - 7532	7GN
Machinist 4	MACH4 - 7650	7IN
Tire/ Hose Repair	7549DC	7BN
Welder	WELD4 - 7663	7HN
Fire Upholsterer	7337DC	7BN
Compressed Air Technician: SCBA compressed gas services	7532DC	7CN
Overhead: Site services, logistics, delivery/dropoff, storage, etc.		10%

****Rates are subject to change by MFD upon notice to requesting Department****

*****Rates do not include emergency service charges, as contemplated in Section 4.f. of the Agreement*****

The in-effect rates of pay are accessible here:

<https://city.milwaukee.gov/cityclerk/LRB/ordinances/tableofcontents>



Wauwatosa, WI

Staff Report

File #: 26-0815

Agenda Date: 5/12/2026

Agenda #: 2.

Consideration of request for Level Three fund transfer for the recently awarded Firefly Grove Wetland grant in the amount of \$121,000

Submitted by:

John Ruggini

Department:

Finance

A. Issue

A level three fund transfer is needed to establish a budget and expenditure authority for the recently awarded Firefly Grove Wetland grant.

B. Background/Options

To incentivize the municipalities served by the MMSD to partner in the effort to address stormwater management, MMSD has created a funding mechanism for the municipalities to install green infrastructure (GI) practices. The attached agreement includes plans to install GI that supports the District's and Wauwatosa's GI goals.

A wetland restoration project is planned for the 3-acre wetland located on the southeast side of the Firefly Grove Park located at approximately 116th and Gilbert Avenue in Wauwatosa, Wisconsin. The Project will restore wetland function, improve biological conditions, and increase wildlife habitat. A map of the planned Project is included in the attached agreement.

The construction of the wetland restoration will occur in the summer/fall of 2026. The agreement was adopted by Council on April 28, 2026. A fund transfer is now needed to establish a budget for the project. While the entire project budget is estimated to be \$309,000, the fund transfer request is for \$121,000 as the remainder will be paid for by MMSD directly.

C. Strategic Plan (Area of Focus)

Well maintained infrastructure.

D. Fiscal Impact

Expenditures offset by grant revenue so no net impact on fund balance or property taxes

E. Recommendation

I recommend a level three fund transfer be approved to increase revenues and expenditures in the amount of \$121,000 in the Stormwater Fund.



Wauwatosa, WI

Staff Report

File #: 26-0780

Agenda Date: 5/12/2026

Agenda #: 3.

Consideration of creating Tax Increment District No. 17, approving its project plan and establishing its boundaries

Submitted by:

John Ruggini, and Jon Cameron (Ehlers)

Department:

Finance Department

A. Issue

The Project Plan for the Creation of TID #17 was approved by the Community Development Authority on March 16th, 2026, following a public hearing on the same date and is now before you for consideration.

B. Background/Options

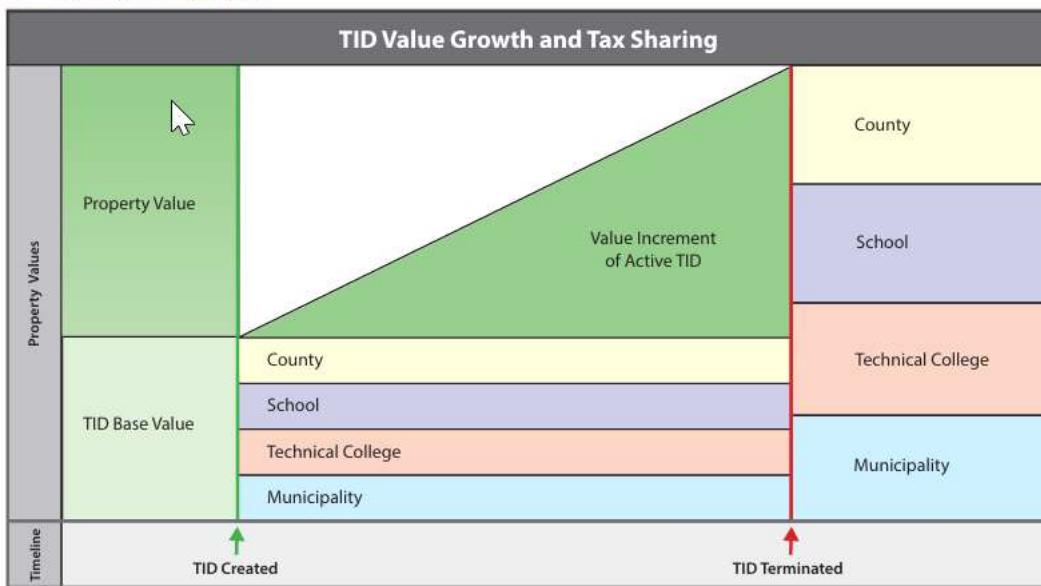
Municipalities have the authority in Wisconsin to create Tax Increment Districts to facilitate economic development that would not have otherwise occurred **but for** the municipal support. This support can be in the form of public infrastructure (roads, sewers, water mains, etc), site remediation (demolition, environmental clean-up, land acquisition, etc) or a developer grant to address extra-ordinary costs. In Wauwatosa, the “but for” test is answered by proving two questions as outlined in our Economic Development Investment policy (attached):

1. What expenses are the developer occurring that are extra-ordinary compared to a development on a “green field” with room for surface parking and no site remediation?
2. Do these extra-ordinary costs result in a below-market return on investment that would prevent the developer from raising sufficient equity and/or securing loans to proceed with the project.

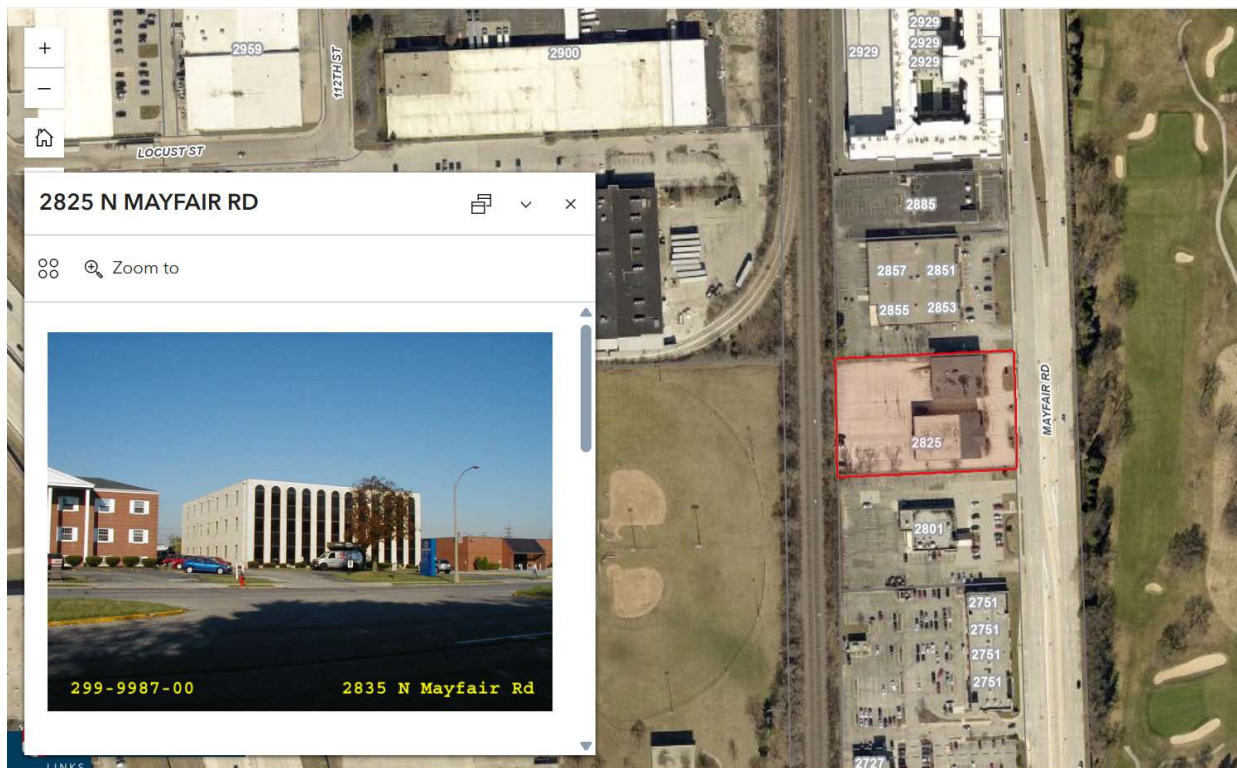
We typically engage a third-party financial consultant to assist with this analysis (memo attached).

This financial assistance is made possible by the “tax increment” that is generated by the new development within the geographic boundaries of the District. “Tax Increment” is new property value and the corresponding taxes generated by any development that occurs after the District is created and that exceeds the value and taxes that are already (and continue) to fund the overlapping taxing jurisdictions (City, School District, County, Technical College, Sewerage District). This is depicted below. The Department of Revenue’s “TIF Manual” is also attached which includes additional background as well as helpful statistics about the utilization of Tax Increment District financing state-wide.

1. Sharing the tax base



Wauwatosa Tax Incremental District (“TID”) No. 17 (“District”) is a proposed Blight District comprising a 1.7-acre single-site at 2825 N Mayfair Road. The District will be created to pay the costs of development incentives and infrastructure needed (“Project”) to be developed by Cream City Real Estate Investments LLC for the Latitude 43 multi-family development.



In addition to the incremental property value that will be created, the City expects the Project will result in approximately \$21.9 million in new taxable value within the City and significant additional housing opportunities at various price points. The City anticipates making total expenditures of approximately \$5.04

million to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$2.85 million in development incentives (future value estimate figure) on a pay-as-you-go basis through the issuance of Municipal Revenue Obligations (MROs) for the project within the District boundary.

The anticipated new taxable value to be developed within the District is projected to be \$19.62 million. Based upon the economic feasibility study located within the Project Plan, the City anticipates that the District will generate sufficient tax increment to pay all project costs within 18 years of the allowable 27-year lifespan.

C. Strategic Plan (Area of Focus)

Priority Area One: Economic Development & Financial Resilience

D. Fiscal Impact

The attached project plan shows that the Tax Increment District will generate sufficient increment to cover its expenses, will increase property value and will also incorporate public infrastructure improvements so there should be a net positive benefit to the City.

E. Recommendation

I recommend the Committee and Council approve the Tax Increment District 17 project plan.

May 19, 2026

DRAFT PROJECT PLAN

City of Wauwatosa, Wisconsin

Tax Incremental District No. 17



Prepared by:

Ehlers
N19W24400 Riverwood Drive,
Suite 100
Waukesha, WI 53188

BUILDING COMMUNITIES. IT'S WHAT WE DO.

KEY DATES

Organizational Joint Review Board Meeting Held:	April 16, 2026
Public Hearing Held:	April 16, 2026
Action by CDA:	April 16, 2026
Action by City Council:	May 19, 2026
Action by the Joint Review Board:	Scheduled for June 10, 2026

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SECTION 1: Executive Summary

DESCRIPTION OF DISTRICT

Tax Incremental District (“TID”) No. 17 (“District”) is a proposed Blighted Area District comprising approximately 1.7 acres located at 2825/2835 N. Mayfair Road. The District will be created to pay the costs of development incentives on a pay as you go basis (“Project”) to be developed by Cream City Real Estate Investments LLC (“Developer”). In addition to the incremental property value that will be created, the City expects the Project will result in the elimination of blight within the District boundary and the creation of a 92-unit market rate apartment building.

AUTHORITY

The City is creating the District under the provisions of Wis. Stat. § 66.1105.

ESTIMATED TOTAL PROJECT COST EXPENDITURES

The City anticipates making total expenditures of approximately \$5,040,000 (“Project Costs”) to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$2,850,000 in development incentives on a pay-as-you-go basis at 5.50% interest, which equates to approximately \$1,845,000. Additional costs include TID creation expenses and on-going annual administrative expenses.

INCREMENTAL VALUATION

The City projects that new land and improvements value of approximately \$19,620,000 will result from the Project. Creation of this additional value will be made possible by the Project Costs made within the District. A table detailing assumptions as to the development timing and associated values is included in the Economic Feasibility Study located within this Plan.

EXPECTED TERMINATION OF DISTRICT

Based on the Economic Feasibility Study located within Section 9 of this Plan, the City anticipates that the District will generate sufficient tax increment to pay all Project Costs within 18 of its allowable 27 years.

SUMMARY OF FINDINGS

As required by Wis. Stat. § 66.1105, and as documented in this Plan and the exhibits contained and referenced herein, the following findings are made:

1. That “but for” the creation of this District, the development projected to occur as detailed in this Plan: 1) would not occur; or 2) would not occur in the manner, at the values, or within the timeframe desired by the City. In reaching this determination, the City has considered:

A review of the Project’s sources and uses, and cash flow proforma. The Project’s projected internal return on investment over 10 years without TIF assistance is 9.1%. The Developer has requested that the City provide incentive payments on a pay as you go basis with an estimated present value of \$2,850,000. (Projected future value payments of \$4,695,000). Provision of the requested assistance would improve the Project’s return on investment to 13.8%. Projects of this type typically need to provide a return in the range of 13% to 15% to attract the necessary investment capital. Based on Ehlers review, provision of pay as you go incentives in the amount requested is necessary to provide an acceptable return on investment and indicates that “but for” the incentives, the project would not likely proceed.

The Developer’s representation that the Project is not economically viable without public participation based on extraordinary costs associated with demolition of structures and redevelopment of existing sites.

2. The economic benefits of the District, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements. In making this determination, the City has considered the following information:

That the Developer is likely to purchase goods and services from local suppliers in construction of the Project, and induced effects of employee households spending locally for goods and services from retailers, restaurants and service companies.

3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions. As required by Wis. Stat. § 66.1105(4)(i)4., a calculation of the share of projected tax increments estimated to be paid by the owners of property in the overlying taxing jurisdictions has been prepared and can be found in this Plan. However, because the Project would not occur without the use of tax incremental financing, these tax increments would not be paid but for creation of the District. Accordingly, the City finds that the benefits expected to be realized as set forth in this Plan outweigh the value of the tax increments to be invested in the Project.
4. Not less than 50% by area of the real property within the District is a blighted area as defined by Wis. Stat. § 66.1105(2)(ae)1.

5. Based on the foregoing finding, the District is designated as a blighted area district.
6. The Project Costs relate directly to the elimination of blight in the District, consistent with the purpose for which the District is created.
7. Improvements to be made in the District are likely to significantly enhance the value of substantially all of the other real property in the District.
8. The equalized value of taxable property in the District, plus the incremental value of all existing tax incremental districts within the City does not exceed 12% of the total equalized value of taxable property within the City.
9. The City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period, pursuant to Wis. Stat. § 66.1105(5)(b).
10. That there are no parcels to be included within the District that were annexed by the City within the preceding three-year period.
11. The Plan for the District is feasible and is in conformity with the Master Plan of the City.

SECTION 2: Preliminary Map of Proposed District Boundary

Map Found on Following Page.

TAX INCREMENTAL DISTRICT NO. 17

That part of the Northeast 1/4 of Section 18, Township 7 North, Range 21 East, in the City of Wauwatosa, County of Milwaukee, State of Wisconsin

CHICAGO & NORTHWESTERN/UNION
PACIFIC RAILROAD

N00°59'36"W 219.44'

N87°25'29"E 335.32'

UNPLATTED LANDS
TAX KEY NO. 2999986001

NE COR. OF NE 1/4
SEC. 18, T7N, R21E

S01°56'28"E 219.37'
(S.T.H. 100)
N MAYFAIR RD.

S87°25'29"W 338.95'

UNPLATTED LANDS

60.00'
S87°25'29"W

P.O.B.

EAST LINE OF THE NE 1/4, SEC. 18
N01°56'28"W 2668.97'

775.15'

P.O.C.
SE COR. OF NE 1/4
SEC. 18, T7N, R21E



GRAPHICAL
SCALE (FEET)
0 1"=50'

CHAPUT
LAND SURVEYS

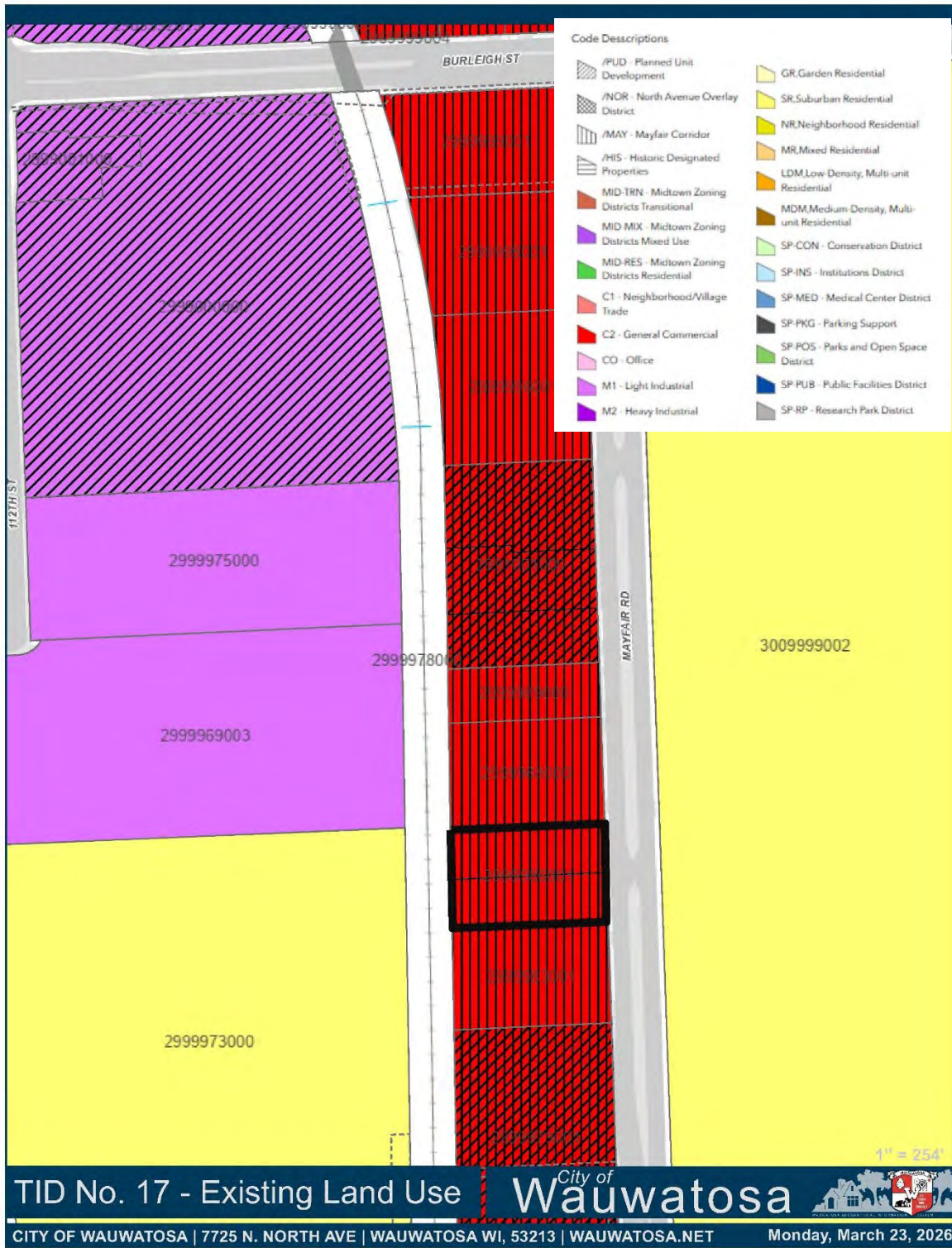
710 N. Plankinton Ave. Ste 720, Milwaukee, WI 53204
414-224-8068 www.chaputlandsurveys.com

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DRAFTED BY: GSS
DATE: FEB. 10, 2026
JOB NO: 5683.00A

SECTION 3: Map Showing Existing Uses and Conditions

Map Found on Following Page.



SECTION 4: Preliminary Parcel List and Analysis

Parcel Data

Map Reference Number	Parcel Number	Acres	Acres	Blighted Condition
			Blighted	
N/A	ROW Areas	0.00		
1	299-9986-001	1.70	1.70	Condition 1
TOTALS		1.70	1.70	

Percentage of TID Area Designated as Blighted (at least 50%)

100%

Percentage of TID Area Not Designated as Blighted

0%

Blighted Area Conditions:

Condition 1 An area, including a slum area, in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

Calculation of Estimated Base Value¹

Parcel	Assessed Value			Equalized Value ²			Overlapping TID
	Land	Improvement	Total	Land	Improvement	Total	
299-9986-001	2,293,000	200	2,293,200	2,293,000	200	2,293,200	No
TOTALS	2,293,000	200	2,293,200	2,293,000	200	2,293,200	

1) Estimated based on values as of January 1, 2025. Actual base value will be as of January 1, 2026.

2) Calculation based on aggregate assessment ratio of 100.00%.

SECTION 5:

Equalized Value Test

The following calculations demonstrate that the City expects to be in compliance with Wis. Stat. § 66.1105(4)(gm)4.c., which requires that the equalized value of the taxable property in the proposed District, plus the value increment of all existing tax incremental districts, does not exceed 12% of the total equalized value of taxable property within the City.

The equalized value of the increment of existing tax incremental districts within the City, plus the base value of the proposed District, totals \$632,142,700. This value is less than the maximum of \$1,214,675,328 in equalized value that is permitted for the City.

Calculation of City Equalized Value Limit

City TID IN Equalized Value (Jan. 1, 2025)	\$ 10,122,294,400
TID Valuation Limit @ 12% of Above Value	\$ 1,214,675,328

Calculation of Value Subject to Limit

Estimated Base Value of Territory to be Included in District	\$ 2,293,200
Plus: Assumed change for Jan. 1, 2026 assessment	\$ -
Incremental Value of Existing Districts (Jan. 1, 2025)	\$ 629,849,500
Less: Value of Parcels Removed from District	\$ -
Less: Value of Underlying TID Parcels	\$ -
Total Value Subject to 12% Valuation Limit	\$ 632,142,700
Total Percentage of TID IN Equalized Value	6.25%
Residual Value Capacity of TID IN Equalized Value	\$ 582,532,628

SECTION 6: Statement Listing the Kind, Number and Location of All Proposed Public Works or Improvements Within the District

Project Costs are any expenditure made, estimated to be made, or monetary obligations incurred or estimated to be incurred as outlined in this Plan. Project Costs will be diminished by any income, special assessments or other revenues, including user fees or charges, other than tax increments, received or reasonably expected to be received in connection with the implementation of the Plan. If Project Costs incurred benefit territory outside the District, a proportionate share of the cost is not a Project Cost. Costs identified in this Plan are preliminary estimates made prior to design considerations and are subject to change after planning, design and construction is completed.

With all Project Costs, the costs of engineering, design, survey, inspection, materials, construction, restoring property to its original condition, apparatus necessary for public works, legal and other consultant fees, testing, environmental studies, permits, updating City ordinances and plans, judgments or claims for damages and other expenses are included as Project Costs.

The following is a list of public works and other tax incremental financing eligible Project Costs that the City expects to make, or may need to make, in conjunction with the implementation of the District's Plan. The map found in Section 7 of this Plan along with the Detailed List of Project Costs found in Section 8 provide additional information as to the kind, number and location of potential Project Costs.

Property, Right-of-Way and Easement Acquisition

Property Acquisition for Development

To promote and facilitate development the City may acquire property within the District. The cost of property acquired, and any costs associated with the transaction, are eligible Project Costs. Following acquisition, other Project Costs within the categories detailed in this Section may be incurred to make the property suitable for development. Any revenue received by the City from the sale of property acquired pursuant to the execution of this Plan will be used to reduce the total project costs of the District. If total Project Costs incurred by the City to acquire property and make it suitable for development exceed the revenues or other consideration received from the sale or lease of that property, the net amount shall be considered "real property assembly costs" as

defined in Wis. Stat. § 66.1105(2)(f)1.c., and subject to recovery as an eligible Project Cost.

Property Acquisition for Conservancy

To promote the objectives of this Plan, the City may acquire property within the District that it will designate for conservancy. These conservancy objectives include: preserving historic resources or sensitive natural features; protection of scenic and historic views; maintaining habitat for wildlife; maintaining adequate open space; reduction of erosion and sedimentation by preserving existing vegetation; and providing adequate areas for management of stormwater. The cost of property acquired for conservancy, and any costs associated with the transaction, are eligible Project Costs.

Acquisition of Rights-of-Way

The City may need to acquire property to allow for installation of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire rights-of-way are eligible Project Costs.

Acquisition of Easements

The City may need to acquire temporary or permanent easements to allow for installation and maintenance of streets, driveways, sidewalks, utilities, stormwater management practices and other public infrastructure. Costs incurred by the City to identify, negotiate and acquire easement rights are eligible Project Costs.

Relocation Costs

If relocation expenses are incurred in conjunction with the acquisition of property, those expenses are eligible Project Costs. These costs may include, but are not limited to: preparation of a relocation plan; allocations of staff time; legal fees; publication of notices; obtaining appraisals; and payment of relocation benefits as required by Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

Site Preparation Activities

Environmental Audits and Remediation

If it becomes necessary to evaluate any land or improvement within the District, any cost incurred by the City related to environmental audits, testing, and remediation are eligible Project Costs.

Demolition

To make sites suitable for development, the City may incur costs related to demolition and removal of structures or other land improvements, to include abandonment of wells or other existing utility services.

Site Grading

Land within the District may require grading to make it suitable for development, to provide access, and to control stormwater runoff. The City may need to remove and dispose of excess material, or bring in fill material to provide for proper site elevations. Expenses incurred by the City for site grading are eligible Project Costs.

Utilities

Sanitary Sewer System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand sanitary sewer infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: collection mains; manholes and cleanouts; service laterals; force mains; interceptor sewers; pumping stations; lift stations; wastewater treatment facilities; and all related appurtenances. To the extent sanitary sewer projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand sanitary sewer infrastructure located outside of the District. That portion of the costs of sanitary sewer system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Water System Improvements

To allow development to occur, the City may need to construct, alter, rebuild or expand water system infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: distribution mains; manholes and valves; hydrants; service laterals; pumping stations; wells; water treatment facilities; storage tanks and reservoirs; and all related appurtenances. To the extent water system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the

implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand water system infrastructure located outside of the District. That portion of the costs of water system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Stormwater Management System Improvements

Development within the District will cause stormwater runoff. To manage this stormwater runoff, the City may need to construct, alter, rebuild or expand stormwater management infrastructure within the District. Eligible Project Costs include, but are not limited to, construction, alteration, rebuilding or expansion of: stormwater collection mains; inlets, manholes and valves; service laterals; ditches; culvert pipes; box culverts; bridges; stabilization of stream and river banks; and infiltration, filtration and detention Best Management Practices (BMP's). To the extent stormwater management system projects undertaken within the District provide direct benefit to land outside of the District, the City will make an allocation of costs based on such benefit. Those costs corresponding to the benefit allocated to land within the District, and necessitated by the implementation of the Project Plan, are eligible Project Costs. Implementation of the Project Plan may also require that the City construct, alter, rebuild or expand stormwater management infrastructure located outside of the District. That portion of the costs of stormwater management system projects undertaken outside the District which are necessitated by the implementation of the Project Plan are eligible Project Costs.

Electric Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade electric services. Relocation may require abandonment and removal of existing poles or towers, installation of new poles or towers, or burying of overhead electric lines. Costs incurred by the City to undertake this work are eligible Project Costs.

Gas Service

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade gas mains and services. Costs incurred by the City to undertake this work are eligible Project Costs.

Communications Infrastructure

To create sites suitable for development, the City may incur costs to provide, relocate or upgrade infrastructure required for voice and data communications, including, but not limited to: telephone lines, cable lines and fiber optic cable. Costs incurred by the City to undertake this work are eligible Project Costs.

Streets and Streetscape

Street Improvements

To allow development to occur, the City may need to construct or reconstruct streets, highways, alleys, access drives and parking areas. Eligible Project Costs include, but are not limited to: excavation; removal or placement of fill; construction of road base; asphalt or concrete paving or repaving; installation of curb and gutter; installation of sidewalks and bicycle lanes; installation of culverts, box culverts and bridges; rail crossings and signals; utility relocation, to include burying overhead utility lines; street lighting; installation of traffic control signage and traffic signals; pavement marking; right-of-way restoration; installation of retaining walls; and installation of fences, berms, and landscaping.

Streetscaping and Landscaping

To attract development consistent with the objectives of this Plan, the City may install amenities to enhance development sites, rights-of-way and other public spaces. These amenities include, but are not limited to: landscaping; lighting of streets, sidewalks, parking areas and public areas; installation of planters, benches, clocks, tree rings, trash receptacles and similar items; and installation of brick or other decorative walks, terraces and street crossings. These and any other similar amenities installed by the City are eligible Project Costs.

Community Development

Cash Grants (Development Incentives)

The City may enter into agreements with property owners, lessees, or developers of land located within the District for sharing costs to encourage the desired kind of improvements and assure tax base is generated sufficient to recover Project Costs. No cash grants will be provided until the City executes a developer agreement with the recipient of the cash grant. Any payments of cash grants made by the City are eligible Project Costs.

Contribution to Community Development Authority (CDA)

As provided for in Wis. Stat. § 66.1105(2)(f)1.h and Wis. Stat. § 66.1333(13), the City may provide funds to its CDA to be used for administration, planning operations, and capital costs, including but not limited to real property

acquisition, related to the purposes for which it was established in furtherance of any redevelopment or urban renewal project. Funds provided to the CDA for this purpose are eligible Project Costs.

Revolving Loan/Grant Program (Development Incentives)

To encourage private development consistent with the objectives of this Plan, the City, through its CDA, may provide loans or grants to eligible property owners in the District. Eligible improvements will be those that are likely to improve the value of the property, enhance the visual appearance of the property and surrounding area, correct safety deficiencies, or as otherwise specified by the CDA in the program manual. Any funds returned to the CDA from the repayment of loans made are not considered revenues to the District, and will not be used to offset District Project Costs. Instead, these funds may be placed into a revolving fund and will continue to be used for the program purposes stated above. Any funds provided to the CDA for purposes of implementing this program are considered eligible Project Costs.

Miscellaneous

Professional Service and Organizational Costs

The costs of professional services rendered, and other costs incurred, in relation to the creation, administration and termination of the District, and the undertaking of the projects contained within this Plan, are eligible Project Costs. Professional services include but are not limited to: architectural; environmental; planning; engineering; legal; audit; financial; and the costs of informing the public with respect to the creation of the District and the implementation of the Plan.

Administrative Costs

The City may charge to the District as eligible Project Costs reasonable allocations of administrative costs, including, but not limited to, employee salaries. Costs allocated will bear a direct connection to the time spent by City employees relating to the implementation of the Plan.

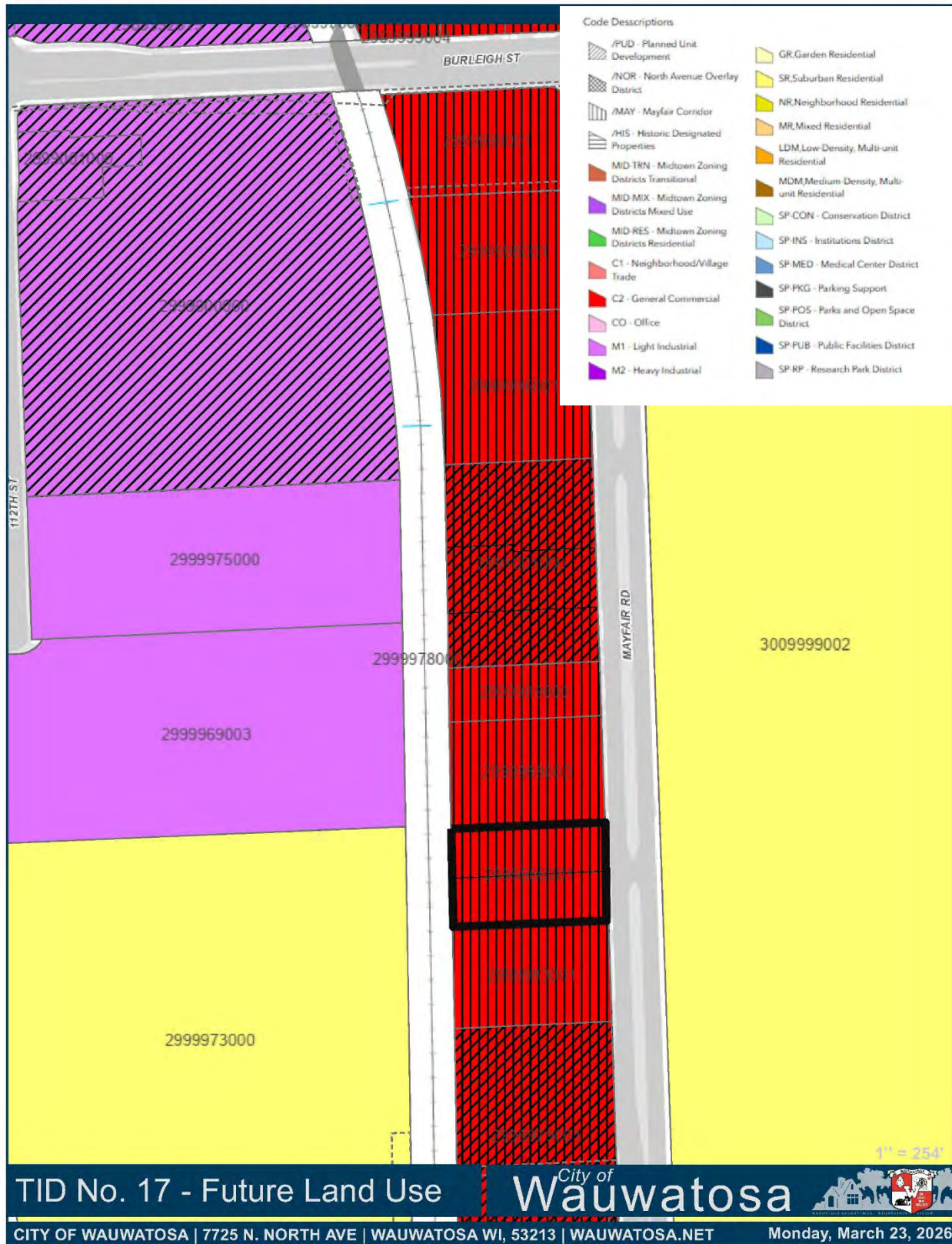
Financing Costs

Interest expense, debt issuance expenses, redemption premiums, and any other fees and costs incurred in conjunction with obtaining financing for projects undertaken under this Plan are eligible Project Costs.

SECTION 7:

Map Showing Proposed Improvements and Uses

Map Found on Following Page.



SECTION 8: Detailed List of Estimated Project Costs

The following list identifies the Project Costs that the City currently expects to incur in implementing the District’s Plan. All projects identified and related costs reflect the best estimates available as of the date of preparation of this Plan. All costs are preliminary estimates and may increase or decrease. Certain Project Costs listed may become unnecessary, and other Project Costs not currently identified may need to be made. (Section 6 details the general categories of eligible Project Costs). Changes in Project Cost totals or the types of Project Costs to be incurred will not require that this Plan be amended. This Plan is not meant to be a budget nor an appropriation of funds for specific Project Costs, but a framework within which to manage Project Costs.

City of Wauwatosa, Wisconsin					
Tax Increment District No. 17					
Detailed List of Estimated Project Costs					
Project ID	Project Name/Type	Est. Cost		Totals	Est. Timing
		Phase I	Ongoing		
1	Development Incentives (MRO)	2,850,000		2,850,000	2026/2027
2	Interest on MRO		1,845,052	1,845,052	
3	TID Creation Expense		25,000	25,000	
4	Ongoing Planning & Administrative Costs		160,000	160,000	
Total Projects		<u>2,850,000</u>	<u>2,190,052</u>	<u>5,040,052</u>	
Notes:					
1. The interest on the MRO is assumed at 5.50% annually.					

SECTION 9: Economic Feasibility Study, Description of the Methods of Financing Estimated Project Costs and the Time When Related Costs or Monetary Obligations are to be Incurred

This Section includes a forecast of the valuation increases expected within the District, the associated tax increment collections, a summary of how Project Costs would be financed, and a projected cash flow demonstrating that the District is economically feasible.

Key Assumptions

The Project Costs the City plans to make are expected to create approximately \$19,600,000 million in incremental value by the end of 2027. Estimated valuations and timing for construction of the Project are included in **Table 1**. Assuming the City's current equalized TID Interim tax rate of \$19.30 per thousand of equalized value, and no economic appreciation or depreciation, the Project would generate approximately \$10,034,000 in incremental tax revenue over the 27-year term of the District as shown in **Table 2**.

Table 1 - Development Assumptions

City of Wauwatosa, Wisconsin

Tax Increment District No. 17

Development Assumptions

Construction Year		Latitude 43 Apartments Total Value	Annual Total	Construction Year	
1	2026	9,809,500	9,809,500	2026	1
2	2027	9,809,500	9,809,500	2027	2
3	2028		0	2028	3
4	2029		0	2029	4
5	2030		0	2030	5
6	2031		0	2031	6
7	2032		0	2032	7
8	2033		0	2033	8
9	2034		0	2034	9
10	2035		0	2035	10
11	2036		0	2036	11
12	2037		0	2037	12
13	2038		0	2038	13
14	2039		0	2039	14
15	2040		0	2040	15
16	2041		0	2041	16
17	2042		0	2042	17
18	2043		0	2043	18
19	2044		0	2044	19
20	2045		0	2045	20
21	2046		0	2046	21
22	2047		0	2047	22
23	2048		0	2048	23
24	2049		0	2049	24
25	2050		0	2050	25
26	2051		0	2051	26
27	2052		0	2052	27
Totals		0	19,619,000	19,619,000	

Notes:

Table 2 - Tax Increment Projection Worksheet

City of Wauwatosa, Wisconsin											
Tax Increment District No. 17											
Tax Increment Projection Worksheet											
Type of District	Blighted Area			Base Value	0						
District Creation Date	March 24, 2026			Economic Change Factor	0.00%						
Valuation Date	Jan 1,	2026		Apply to Base Value							
Max Life (Years)	27			Base Tax Rate	\$19.30						
End of Expenditure Period	22	3/24/2048		Rate Adjustment Factor	0.00%						
Revenue Periods/Final Year	27	2054									
Extension Eligibility/Years	Yes	3									
Eligible Recipient District	Yes										
								Tax Exempt Discount Rate	4.00%		
								Taxable Discount Rate	5.50%		
Construction Year	Value Added	Valuation Year	Economic Change	Total Increment	Revenue Year	Tax Rate ¹	Tax Increment	Tax Exempt NPV Calculation	Taxable NPV Calculation		
1	2026	9,809,500	2027	0	9,809,500	2028	\$19.30	189,317	168,302	161,225	
2	2027	9,809,500	2028	0	19,619,000	2029	\$19.30	378,633	491,959	466,864	
3	2028	0	2029	0	19,619,000	2030	\$19.30	378,633	803,168	756,569	
4	2029	0	2030	0	19,619,000	2031	\$19.30	378,633	1,102,407	1,031,171	
5	2030	0	2031	0	19,619,000	2032	\$19.30	378,633	1,390,137	1,291,458	
6	2031	0	2032	0	19,619,000	2033	\$19.30	378,633	1,666,801	1,538,175	
7	2032	0	2033	0	19,619,000	2034	\$19.30	378,633	1,932,824	1,772,029	
8	2033	0	2034	0	19,619,000	2035	\$19.30	378,633	2,188,615	1,993,693	
9	2034	0	2035	0	19,619,000	2036	\$19.30	378,633	2,434,568	2,203,801	
10	2035	0	2036	0	19,619,000	2037	\$19.30	378,633	2,671,061	2,402,955	
11	2036	0	2037	0	19,619,000	2038	\$19.30	378,633	2,898,458	2,591,726	
12	2037	0	2038	0	19,619,000	2039	\$19.30	378,633	3,117,109	2,770,657	
13	2038	0	2039	0	19,619,000	2040	\$19.30	378,633	3,327,351	2,940,259	
14	2039	0	2040	0	19,619,000	2041	\$19.30	378,633	3,529,506	3,101,020	
15	2040	0	2041	0	19,619,000	2042	\$19.30	378,633	3,723,887	3,253,399	
16	2041	0	2042	0	19,619,000	2043	\$19.30	378,633	3,910,791	3,397,835	
17	2042	0	2043	0	19,619,000	2044	\$19.30	378,633	4,090,506	3,534,741	
18	2043	0	2044	0	19,619,000	2045	\$19.30	378,633	4,263,309	3,664,509	
19	2044	0	2045	0	19,619,000	2046	\$19.30	378,633	4,429,466	3,787,513	
20	2045	0	2046	0	19,619,000	2047	\$19.30	378,633	4,589,232	3,904,103	
21	2046	0	2047	0	19,619,000	2048	\$19.30	378,633	4,932,568	4,235,420	
22	2047	0	2048	0	19,619,000	2049	\$19.30	378,633	5,086,190	4,345,933	
23	2048	0	2049	0	19,619,000	2050	\$19.30	378,633	5,233,903	4,450,684	
24	2049	0	2050	0	19,619,000	2051	\$19.30	378,633	5,375,934	4,549,975	
25	2050	0	2051	0	19,619,000	2052	\$19.30	378,633	5,512,503	4,644,089	
26	2051	0	2052	0	19,619,000	2053	\$19.30	378,633	5,643,819	4,733,296	
27	2052	0	2053	0	19,619,000	2054	\$19.30	378,633	5,770,085	4,817,853	
Totals		19,619,000		0		Future Value of Increment	10,033,780				

Notes:
 1) Tax rate shown is actual 2025/2026 rate per DOR Form PC-202 (Tax Increment Collection Worksheet).

Financing and Implementation

Table 3. provides a summary of the District’s financing plan. It is anticipated that the City will issue a Municipal Revenue Obligation (MRO) to fund the development incentive listed on the list of estimated project expenses shown in Section 8 of this plan. The MRO is estimated to be equal to 80% of the increment generated annually from the development up to the maximum principal amount of \$2,850,000 with a 5.50% interest rate. A MRO is not a General Obligation of the City and instead relies upon an annual appropriation of funds per the terms of the MRO and development agreement to calculate the annual payment to the developer.

Table 3 - Financing Plan

City of Wauwatosa, Wisconsin Tax Increment District No. 17 Estimated Financing Plan		
	Municipal Revenue Obligation (MRO) 2026	Totals
Projects		
Phase I	2,850,000	2,850,000
Total Project Funds	2,850,000	2,850,000
Net Issue Size	2,850,000	2,850,000
Notes:		

Based on the Project Cost expenditures as included within the cash flow exhibit (Table 4), the District is projected to accumulate sufficient funds by the year 2043 to pay off all Project cost liabilities and obligations. The projected closure is based on the various assumptions noted in this Plan and will vary dependent on actual Project Costs incurred and the actual amount of tax increments collected.

Table 4 - Cash Flow

City of Wauwatosa, Wisconsin										
Tax Increment District No. 17										
Cash Flow Projection										
Year	Projected Revenues			Projected Expenditures			Balances			Year
	Tax Increments	Other Revenue	Total Revenues	MRO #1 2026 Latitude 43 Apts \$2,850,000	Ongoing Planning & Administration	Total Expenditures	Annual	Cumulative	Liabilities Outstanding	
2026			0			0	0	0	4,695,052	2026
2027			0			0	0	0	4,695,052	2027
2028	189,317		189,317	151,453	10,000	161,453	27,863	27,863	4,543,599	2028
2029	378,633		378,633	302,907	10,000	312,907	65,727	93,590	4,240,692	2029
2030	378,633		378,633	302,907	10,000	312,907	65,727	159,317	3,937,786	2030
2031	378,633		378,633	302,907	10,000	312,907	65,727	225,043	3,634,879	2031
2032	378,633		378,633	302,907	10,000	312,907	65,727	290,770	3,331,972	2032
2033	378,633		378,633	302,907	10,000	312,907	65,727	356,497	3,029,066	2033
2034	378,633		378,633	302,907	10,000	312,907	65,727	422,223	2,726,159	2034
2035	378,633		378,633	302,907	10,000	312,907	65,727	487,950	2,423,253	2035
2036	378,633		378,633	302,907	10,000	312,907	65,727	553,676	2,120,346	2036
2037	378,633		378,633	302,907	10,000	312,907	65,727	619,403	1,817,439	2037
2038	378,633		378,633	302,907	10,000	312,907	65,727	685,130	1,514,533	2038
2039	378,633		378,633	302,907	10,000	312,907	65,727	750,856	1,211,626	2039
2040	378,633		378,633	302,907	10,000	312,907	65,727	816,583	908,720	2040
2041	378,633		378,633	302,907	10,000	312,907	65,727	882,310	605,813	2041
2042	378,633		378,633	302,907	10,000	312,907	65,727	948,036	302,907	2042
2043	378,633		378,633	302,907	10,000	312,907	65,727	1,013,763	0	2043
2044	378,633		378,633			0	378,633	1,392,396	0	2044
2045	378,633		378,633			0	378,633	1,771,029	0	2045
2046	378,633		378,633			0	378,633	2,149,663	0	2046
2047	378,633		378,633			0	378,633	2,528,296	0	2047
2048	378,633		378,633			0	378,633	2,906,929	0	2048
2049	378,633		378,633			0	378,633	3,285,562	0	2049
2050	378,633		378,633			0	378,633	3,664,196	0	2050
2051	378,633		378,633			0	378,633	4,042,829	0	2051
2052	378,633		378,633			0	378,633	4,421,462	0	2052
2053	378,633		378,633			0	378,633	4,800,095	0	2053
2054	378,633		378,633			0	378,633	5,178,728	0	2054
Totals (2026 - 2054)	10,033,780	0	10,033,780	4,695,052	160,000	4,855,052				Totals (2026 - 2054)

Notes:

1. The annual MRO payment is equal to 80% of the increment generated annually to the maximum MRO amount with an assumed 5.50% interest component.

PROJECTED CLOSURE YEAR

LEGEND:
 CALLABLE MATURITIES
 END OF EXP. PERIOD

SECTION 10:

Annexed Property

A tax incremental district cannot include annexed territory unless at least three years have elapsed since the annexation, or certain other requirements are met. None of the property within the proposed District boundary was annexed during the past three years.

SECTION 11:

Estimate of Property to Be Devoted to Retail Business

Pursuant to Wis. Stat. § 66.1105(5)(b), the City estimates that none of the territory within the District will be devoted to retail business at the end of the District's maximum expenditure period.

SECTION 12: Proposed Changes of Zoning Ordinances, Master Plan, Map, Building Codes and City Ordinances

Zoning Ordinances

The proposed Plan is in general conformance with the City's current zoning ordinances. Individual properties may require rezoning at the time of development.

Master (Comprehensive) Plan and Map

The proposed Plan is in general conformance with the City's Comprehensive Plan identifying the area as appropriate for multi-family apartment development.

Building Codes and Ordinances

Development within the District will be required to conform to State Building Codes and will be subject to the City's permitting and inspection procedures. The proposed Plan conforms to all relevant State and local ordinances, plans, and codes. No changes to the existing regulations are proposed or needed.

SECTION 13: Statement of the Proposed Method for the Relocation of any Persons to be Displaced

Should implementation of this Plan require relocation of individuals or business operations, relocations will be handled in compliance with Wis. Stat. Chapter 32 and Wis. Admin. Code ADM 92.

SECTION 14: How Creation of the Tax Incremental District Promotes the Orderly Development of the City

Creation of the District and the implementation of the projects in its Plan will promote the orderly development of the City by eliminating blighted areas and providing appropriate financial incentives for private development projects. Through use of tax increment financing, the City can attract new investment that results in increased tax base. Development will occur in an orderly fashion in accordance with approved plans so that the Projects will be compatible with adjacent land uses. Development of new uses in the District will add to the tax base and will generate positive secondary impacts in the community such as increased employment and additional housing opportunities.

SECTION 15:

List of Estimated Non-Project Costs

Non-project costs are public works projects which only partly benefit the District. Costs incurred that do not benefit the District may not be paid with tax increments. Examples of non-project costs are:

- A public improvement made within the District that also benefits property outside the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- A public improvement made outside the District that only partially benefits property within the District. That portion of the total Project Costs allocable to properties outside of the District would be a non-project cost.
- Projects undertaken within the District as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, special assessments, or revenues other than tax increments.

No improvements to be made within the District will benefit property outside the District. Furthermore, there will be no improvements made outside the District that will only partially benefit the District.

**SECTION 16:
Legal Opinion Advising Whether the Plan is Complete
and Complies with Wis. Stat. § 66.1105(4)(f)**

Legal Opinion Found on Following Page.

**NEED WET SIGNATURE & DATED LEGAL OPINION ON ATTORNEY
LETTERHEAD**

SAMPLE

Mayor
City of Wauwatosa
7725 W North Ave
Wauwatosa, Wisconsin 53213-1720

RE: Project Plan for Tax Incremental District No. 17

Dear Mayor:

Wisconsin Statute 66.1105(4)(f) requires that a project plan for a tax incremental financing district include an opinion provided by the City Attorney advising as to whether the plan is complete and complies with Wisconsin Statute 66.1105.

As City Attorney for the City of Wauwatosa, I have been asked to review the above-referenced project plan for compliance with the applicable statutory requirements. Based upon my review, in my opinion, the Project Plan for the City of Wauwatosa Tax Incremental District No. 17 is complete and complies with the provisions of Wisconsin Statute 66.1105.

Sincerely,

City Attorney

SECTION 17: Calculation of the Share of Projected Tax Increments Estimated to be Paid by the Owners of Property in the Overlying Taxing Jurisdictions

The following projection is provided to meet the requirements of Wis. Stat. § 66.1105(4)(i)4.

City of Wauwatosa, Wisconsin							
Tax Increment District No. 17							
Estimated portion of taxes that owners of taxable property in each taxing jurisdiction overlaying district would pay by jurisdiction.							
Revenue Year	Milwaukee County	Milwaukee County Sewer District	City of Wauwatosa	Wauwatosa School District	Milwaukee Area Technical College	Total	Revenue Year
2028	30,834	12,100	54,924	83,974	7,485	189,317	2028
2029	61,669	24,199	109,849	167,947	14,969	378,633	2029
2030	61,669	24,199	109,849	167,947	14,969	378,633	2030
2031	61,669	24,199	109,849	167,947	14,969	378,633	2031
2032	61,669	24,199	109,849	167,947	14,969	378,633	2032
2033	61,669	24,199	109,849	167,947	14,969	378,633	2033
2034	61,669	24,199	109,849	167,947	14,969	378,633	2034
2035	61,669	24,199	109,849	167,947	14,969	378,633	2035
2036	61,669	24,199	109,849	167,947	14,969	378,633	2036
2037	61,669	24,199	109,849	167,947	14,969	378,633	2037
2038	61,669	24,199	109,849	167,947	14,969	378,633	2038
2039	61,669	24,199	109,849	167,947	14,969	378,633	2039
2040	61,669	24,199	109,849	167,947	14,969	378,633	2040
2041	61,669	24,199	109,849	167,947	14,969	378,633	2041
2042	61,669	24,199	109,849	167,947	14,969	378,633	2042
2043	61,669	24,199	109,849	167,947	14,969	378,633	2043
2044	61,669	24,199	109,849	167,947	14,969	378,633	2044
2045	61,669	24,199	109,849	167,947	14,969	378,633	2045
2046	61,669	24,199	109,849	167,947	14,969	378,633	2046
2047	61,669	24,199	109,849	167,947	14,969	378,633	2047
2048	61,669	24,199	109,849	167,947	14,969	378,633	2048
2049	61,669	24,199	109,849	167,947	14,969	378,633	2049
2050	61,669	24,199	109,849	167,947	14,969	378,633	2050
2051	61,669	24,199	109,849	167,947	14,969	378,633	2051
2052	61,669	24,199	109,849	167,947	14,969	378,633	2052
2053	61,669	24,199	109,849	167,947	14,969	378,633	2053
2054	61,669	24,199	109,849	167,947	14,969	378,633	2054
Totals	1,634,215	641,277	2,910,992	4,450,605	396,691	10,033,780	
Notes:							

May 12, 2026

Financial Affairs Committee

RE: TID #17 Creation

The Project Plan for the Creation of TID #17 was approved by the Community Development Authority on April 16th, 2026, following a public hearing on the same date and is now before you for consideration.

TID #17 Creation

Wauwatosa Tax Incremental District (“TID”) No. 17 (“District”) is a proposed Blighted District comprising approximately 1.7 acres located at 2825/2835 N. Mayfair Road. The District will be created to pay the costs of development incentives on a pay as you go basis (“Project”) to be developed by Cream City Real Estate Investments LLC (“Developer”). In addition to the incremental property value that will be created, the City expects the Project will result in the elimination of blight within the District boundary and the creation of a 92-unit market rate apartment building.

The City anticipates making total expenditures of approximately \$5.04 million to undertake the projects listed in this Project Plan (“Plan”). Project Costs include an estimated \$2.85 million in development incentives on a pay as you go basis through the issuance of a Municipal Revenue Obligation (MRO) with a 5.50% interest rate factor, which equates to \$1.845 million. Additional costs include TID creation expenses and on-going annual administrative expenses.

The anticipated new taxable value to be developed within the District is projected to be \$19.62 million. Based upon the economic feasibility study located within the Project Plan, the City anticipates that the District will generate sufficient tax increment to pay all project costs by the year 2043, or within 18 its maximum 27-year lifespan.

We will be at the May 12, 2026, Financial Affairs Committee meeting and look forward to answering any questions you may have on the plan.

Very Truly Yours,



Jonathan P. Cameron
Senior Municipal Advisor

Cc: Jen Ferguson, Economic Development Manager
John Ruggini, Finance Director
Brian Roemer, Ehlers



Tax Incremental Financing Manual

(R. 11-23)

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I. General Background

A. Tax Incremental Financing (TIF) Definition

1. TIF basic function

TIF is a financing option that allows a municipality (town, village or city) to fund infrastructure and other improvements, through property tax revenue on newly developed property. A municipality identifies an area, the Tax Incremental District (TID), as appropriate for a certain type of development. The municipality identifies projects to encourage and facilitate the desired development. Then as property values rise, the municipality uses the property tax paid on that development to pay for the projects. After the project costs are paid, the municipality closes the TID. The municipality, schools, county, and technical college are able to levy taxes on the value of the new development.

TIF use varies depending on the project and the municipality. In some cases, the municipality chooses an area it would like to develop or that is unlikely to develop without assistance. Then the municipality designs improvements (ex: roads, sidewalks, sewer systems) to attract growth. In other cases, a developer or company identifies a site where they might locate. A developer may also negotiate with the municipality to use TIF to fund some improvements (ex: demolition, soil clean up, roads, water) the developer needs. Either way, an area facing development challenges receives help to grow. This creates a larger tax base for the municipality and the overlying taxing jurisdictions (ex: schools, county, technical colleges). Generally, when the tax base grows and spending is stable, tax rates go down, decreasing property taxes for everyone.

Important

One key basis for the use of TIF is the "but for" requirement. As part of all creation resolutions, a municipality must affirm that the development would not happen "but for" the use of TIF. The municipality must believe that without TIF the development would never happen. This requirement is important to ensure TIF assists development projects needing help, but that it is not a gift of tax dollars to private developers or property owners. Review [Considerations for the Municipality](#) for more information.

2. TIF law background

Wisconsin adopted TIF legislation in 1975 to eliminate blighted areas in urban neighborhoods. Interest rates were high, making government borrowing expensive and municipal investment in infrastructure and redevelopment unattractive. In addition, the cost was high for redeveloping blighted areas compared to developing open areas. This was due to demolition, alteration, remodeling or repairing existing buildings, removing environmental contamination from soil or groundwater, or other site work. Before TIF law was enacted, if a municipality wanted to expand its local tax base, the municipality alone would pay the cost but the overlying taxing jurisdictions would also benefit from the growth. The legislature saw this situation as unfair and viewed TIF as a way to remedy the problem and encourage cooperation between local government.

Since TIF law was first adopted, changes have been made to expand the ways municipalities can use TIF and increase the involvement of the overlying taxing jurisdictions and local residents.

Tax Incremental Financing (TIF) Manual

The chart below shows the law reference and creation year. Review [Summary of TIF Law Changes](#) for recent changes.

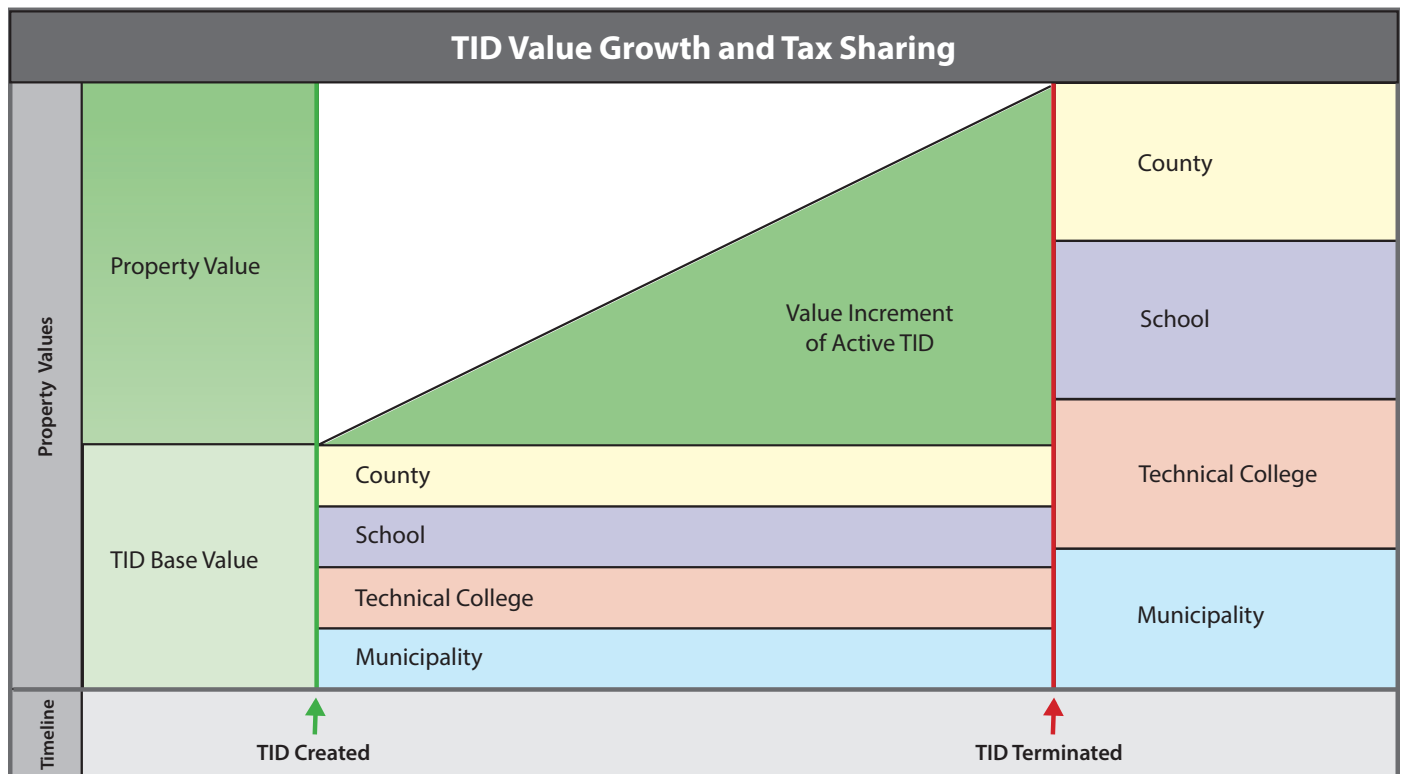
Eligible Municipality	WI Statute	Year Statute Created	TID Type
City or Village	66.1105	1975	Blight, Rehabilitation or Conservation, Industrial
City or Village	66.1105	2004	Mixed-use
City or Village	66.1105	2017	Environmental Remediation
Town	66.1105	2005	Any of the above as part of an annexation/cooperation agreement
City, Village or County	66.1106	1997 (ended 2017)	Environmental Remediation (now in 66.1105)
Town	60.85	2004	Agricultural, Forestry, Manufacturing, or Tourism
Town	60.23	2014	Same as created under 66.1105

Review [Summary Statistics](#) for more details on the trends in numbers and types of TIDs.

B. How TIF Works

When a municipality creates a TID, the municipality and other taxing jurisdictions agree to support their operation from the existing tax base within the TID. They agree the municipality will use the taxes on the value increase in the TID to pay for the investment.

1. Sharing the tax base



a. TID creation

When the municipality creates a TID, it establishes the base value of all the taxable property within the defined boundaries. The county, school, technical college and municipality in the chart above, make up the overlying taxing jurisdictions for the property in the base value. The overlying taxing jurisdictions share the tax revenue collected on this portion of the property value. After the TID is created, this tax revenue is allocated the

Tax Incremental Financing (TIF) Manual

same way as before the TID was created. In the chart, the county, school, technical college and municipality collect taxes on the property in the TID base. In areas with special taxing districts (ex: sanitary district or lake rehabilitation district), this district would appear in a row below the municipality.

Any new construction or investment in the TID property increases the value. The municipality collects the taxes on the growth in value of the property (the [Value increment](#)) as [Tax increment](#) revenue. The municipality can only use this revenue to pay for the improvements it made to the property in the TID according to the approved project plan.

b. TID termination

The municipality must terminate the TID at the end of the maximum life, or when the tax increments collected exceed the approved project costs. At termination, the entire TID's property value is available for the overlying taxing jurisdictions to tax. In the [TID Value Growth and Tax Sharing chart](#) on the previous page, the column on the right represents the increased property value subject to taxes. While the TID exists, tax revenue for each overlying jurisdiction is limited to the base value of the TID property. After terminating the TID, all the overlying taxing jurisdictions share the tax base; tax rates can be lowered to generate the same amount of revenue for the jurisdiction. Without the development encouraged by TIF, the base value would be the only value available for the jurisdictions to tax. Partnering to facilitate development helps all the overlying taxing jurisdictions increase their tax base. If the TID property value does not increase as expected, the municipality may not receive enough tax increment to pay its expenditures. In this case, when the TID terminates, the municipality is responsible for the unpaid debts.

Important

At termination, if the tax increment revenue exceeds the project costs, the municipality must return the surplus revenue to the overlying taxing jurisdictions in proportion to overlying taxing jurisdictions' respective tax levy without TIF.

2. Tax increment calculation

The Tax Increment Worksheet ([Form PC-202](#)) calculates the amount of taxes for the TIF fund. The worksheet uses the apportionment of each overlying taxing jurisdiction to determine the share of each district's tax revenues that will be part of the municipality's tax increment.

Example

This example shows how the county levy is apportioned and how the tax increment is calculated. The same process is used to determine the tax increment added to each of the other taxing jurisdictions' levies, including the levy for the municipality that created the TID.

Assumptions

- Entire county consists of four municipalities. Only Municipality "A" has a TID.
- Equalized property value in the four municipalities, including the TID increment are:

Municipal Values							Total	
A	\$400,000,000*	B	70,000,000	C	20,000,000	D	10,000,000	\$500,000,000
*Includes \$30,000,000 value increment								

- Municipality "A" has a TID 1 with values of:
 - Base value \$20,000,000
 - Current value 50,000,000
 - Value increment 30,000,000
- The county needs \$1,500,000 from property taxes for its budget

Note: Values of the taxing entity and any municipality with one or more TIDs, are reduced by the value increment in all the TIDs. This is referred to as TID/OUT in the upcoming charts.

Tax Incremental Financing (TIF) Manual

Step 1					
Formula to determine each municipality's percent of the county's value: Municipality Value ÷ County Value = % of County's Value					
Municipality	TID/Out Municipality Value	÷	TID/Out County Value	=	Percentage County Value
A	\$ 370,000,000	÷	\$ 470,000,000	=	.787234
B	70,000,000	÷	470,000,000	=	.148936
C	20,000,000	÷	470,000,000	=	.042553
D	10,000,000	÷	470,000,000	=	.021277
Totals	\$ 470,000,000		n/a		1.000000
Step 2					
Formula to determine the county tax apportioned to each municipality: Percentage County Value × County Levy = Apportioned Tax					
Municipality	Percentage County Value	×	County Levy	=	Apportioned Taxes
A	.787234	×	\$ 1,500,000	=	\$ 1,180,850
B	.148936	×	1,500,000	=	223,405
C	.042553	×	1,500,000	=	63,830
D	.021277	×	1,500,000	=	31,915
Totals	1.000000		n/a		\$ 1,500,000
Step 3					
Formula to determine the county tax rate each municipality will collect, including the tax increment: County Apportioned Tax ÷ (Municipality Equalized Value - Increment) = County Tax Rate per Municipality					
Municipality	Apportioned Municipality Taxes	÷	Municipality TID/Out Equalized Value	=	County Tax Rate for Each Municipality
A	\$ 1,180,850	÷	\$ 370,000,000	=	.0031915
B	223,405	÷	70,000,000	=	.0031915
C	63,830	÷	20,000,000	=	.0031915
D	31,915	÷	10,000,000	=	.0031915
Totals	\$ 1,500,000	÷	\$ 470,000,000		n/a
Step 4					
Formula to determine the county tax rate for each municipality (referred to TID/IN below) County Tax Rate × Total Equalized Value of all Municipal property = County Tax Collected (includes the tax increment for TID #1 in Municipality "A")					
Municipality	Tax Rate	×	Total Equalized Value Municipality TID/IN	=	County Taxes Collected
A	.0031915	×	\$ 400,000,000	=	\$ 1,276,600
B	.0031915	×	70,000,000	=	223,405
C	.0031915	×	20,000,000	=	63,830
D	.0031915	×	10,000,000	=	31,915
Totals	n/a		\$ 500,000,000		\$ 1,595,750
Total County Taxes Collected from Municipality "A"					\$ 1,276,600
Total County Apportioned Taxes for Municipality "A"					\$ 1,180,850
Tax Increment Received by Municipality "A"					\$ 95,750

Tax Incremental Financing (TIF) Manual

Step 1-4 Explanation

- County tax collected is apportioned to individual property owners in each municipality based on the assessed value of each parcel
- Amount of the tax apportioned by the county is \$1,500,000. Step 2 shows the amounts apportioned to each municipality.
- Tax increment of \$95,750 is the difference between the amount Municipality "A" collected by the county (\$1,276,600 shown in Step 4) and the amount apportioned for Municipality "A" (\$1,118,850 shown in Step 2)
- \$95,750 is the county portion of tax increment Municipality "A" receives and must deposit into the TID 1 fund for the TID's project costs

Step 5	Effect on the county tax rate if the TID in Municipality "A" terminates and the county's levy and each municipality's values remain the same	
County Levy	County Equalized Value	Tax Rate
\$ 1,500,000	\$ 500,000,000*	.030000

* Includes TID value increment in TID 1, Municipality "A"

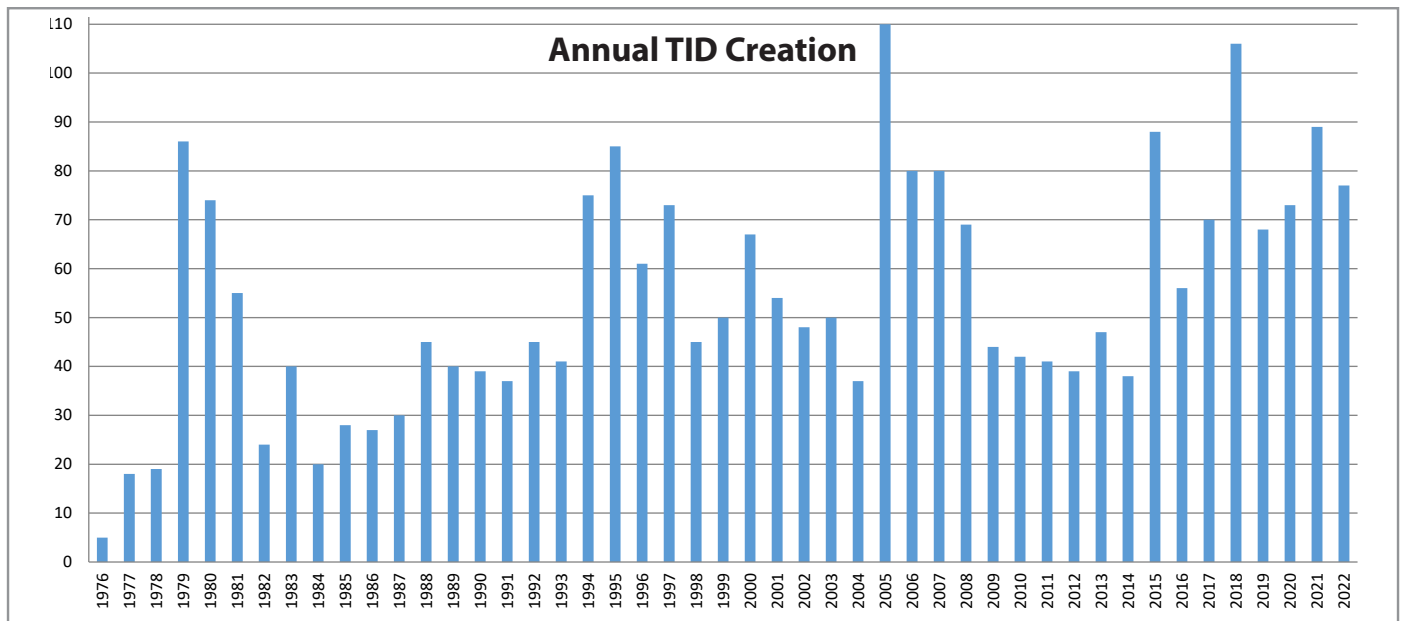
Step 5 Explanation

- There is a difference in the tax rate of 19.15 cents per thousand dollars of equalized value without the TID in Municipality "A" (.0031915 shown in Step 3), compared to the rate with the TID (.0030000 shown in Step 5)
- This results in a \$19.15 tax decrease for the county portion of taxes on a property valued at \$100,000 when the TID terminates

When a municipality has no TIDs, the municipal apportioned levy is the same as the county taxes collected. If there are no TIDs in a county, the county tax rate is lower for everyone. However, if there are TIDs, every taxpayer in the county pays a higher rate to generate the increment paid to the municipality operating the TID. All taxpayers in the county share this cost because they will all share the expanded tax base once the TID terminates.

C. Summary Statistics

The chart below shows TID creations by year. Overall, there has been steady growth since TIF was added to state law. There are a few noticeable spikes in creation activity due to law changes or economic trends.



1. Creation by TID type

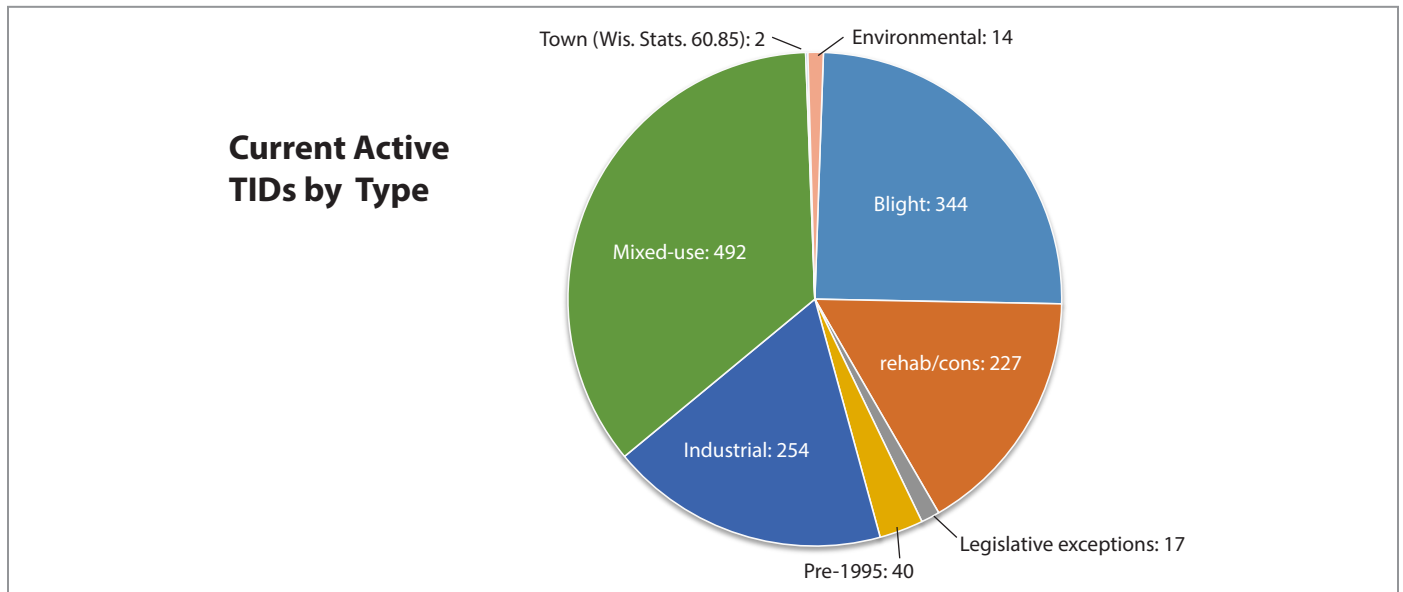
TIF law contains different rules based on TID type. The [TID Criteria Matrix](#) summarizes the rules governing the various TID types.

In 2022, the Wisconsin Department of Revenue (DOR) certified 77 new TIDs:

- 42 mixed-use
- 12 blight elimination
- 10 rehabilitation/conservation
- 12 industrial
- 1 legislative exception

2. Active TIDs by type

Currently there are 1,390 active TIDs. The chart below shows a breakdown of the active TIDs by type.

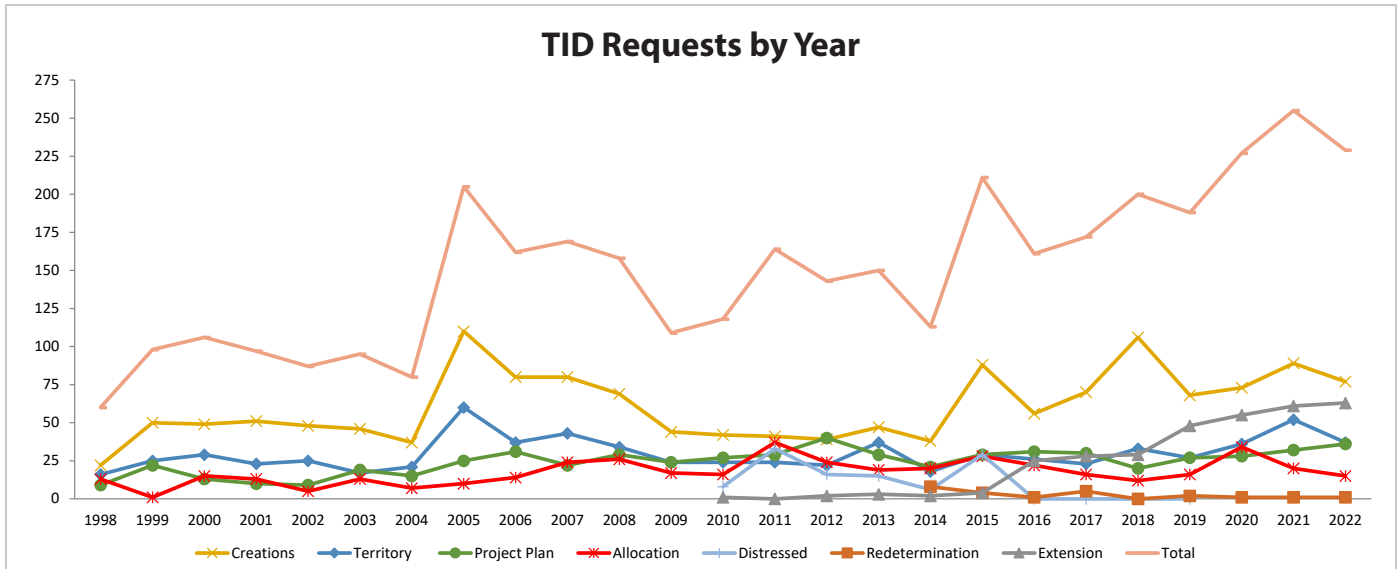


3. TID requests by year

TIF law allows municipalities to create TIDs and amend existing TIDs in different ways. In 2022, DOR approved these TID requests:

- 77 creations
- 37 territory amendments
- 36 project plan amendments
- 15 allocation amendments
- 1 base value redetermination amendment
- 59 extensions

The chart below shows the number of creations and amendment types requested by year.



Each municipality can add or subtract territory from an active TID up to four times during the life of the TID. Adding or subtracting parcels from an existing TID increases or decreases its base value.

Project plan amendments revise the planned development in the TID. An allocation amendment allows a municipality to transfer excess increment from one TID to another TID. There is no limit to the number of allocation or project plan amendments.

Base value redetermination amendments allow a municipality to reduce the base value of a TID in a decrement situation. One redetermination amendment is allowed during a TID's life.

A municipality may extend a TID's life to pay on existing debt and/or to use the last year of increment for affordable housing. There are three types of extensions available: standard extension, technical college extension and affordable housing extension.

Review [TID Amendments](#) and [Extensions](#) for more information.

4. TIF and property taxes in Wisconsin

The Legislative Fiscal Bureau publishes [Informational Paper 17](#) on TIF every two years. It contains background, municipal authority information and statistics on TIF use.

D. Summary of TIF Law Changes

2023 Act 12

Personal Property exemption

- Effective January 1, 2024
- Exempts personal property from taxation
- Establishes a process for municipalities to request DOR adjust the base value of TIDs to account for the exemption of personal property

Levy Limit adjustments

- Effective beginning with TIDs created January 1, 2025:
 - » TID new construction annual levy adjustment – municipalities may use up to 90% of new construction within a TID to determine the levy increase
 - » TID termination levy adjustment
 - Allows a one-time levy adjustment equal to 10% of the new construction value within the TID
 - Adjustment may be increased by an additional 15% if the TID closes prior to 75% of the expected life, as determined by the Joint Review Board (JRB)
 - » TID subtraction levy adjustment
 - Allows a one-time levy adjustment equal to 10% of the new construction value within the area subtracted
 - » JRB must establish the year the TID is expected to terminate

2021 Acts 61, 68, 142, 149

Act 61

Distribution of state aid after a TID terminates

- Effective July 10, 2021, starting with 2022 distributions for:
 - » Exempt computer aid payments
 - State will distribute aid to the municipality and other taxing jurisdictions the year after termination and each year thereafter
 - » Personal property aid payments
 - State will distribute aid to the municipality and other taxing jurisdictions the year after termination and each year thereafter
 - Reimbursement for TIDs active in the 2017 tax year that terminated since and would have received aid
 - Terminated TID aid payments will not be included in levy/revenue limit calculations
 - Updates expenditure restraint program to exclude expenditures of terminated TID personal property aid payments

Act 68

Expenditure period for TIDs in an electronics and information technology manufacturing (EITM) zone

- Effective July 10, 2021
- For certain expenses, extends the expenditure period from 84 to 180 months after TID's creation
- Applies to expenses for:
 - » Constructing or expanding fire stations
 - » Purchasing police and fire equipment
 - » General operating expenses related to providing police and fire protection

Act 142

Requires reporting the value of net new construction in TIDs

- Effective January 1, 2023
- In 2023, Municipal Assessment Report (MAR) will include new fields for assessors to report new construction and demolition values for each TID
 - » DOR will publish a TID Net New Construction Values report in the fall of 2023

- In 2024, the 2023 TID Annual Report (Form PE-300) will include:
 - » Net new construction values for each year beginning with 2023
 - » New construction percentage
 - » TID new construction impact on municipal levy

Act 149

Amends the environmental pollution definition for environmental remediation TIDs

- Effective October 1, 2022
- Adds substances that if released into the air, land or waters due to redevelopment of an existing structure would be harmful to either:
 - » Public health
 - » Commercial or recreational use

2017 Acts 15, 58, 70

Act 15

1. Termination and administrative fee deadline change

- Effective: January 1, 2018
- Changes the deadline for TID terminations from May 15 to April 15
 - » **Example 1:** If a termination resolution is adopted from May 16, 2017 to April 15, 2018, the termination year is 2018 and TID number is removed from the 2018 tax roll
 - » **Example 2:** If a termination resolution is adopted from April 16, 2018 to April 15, 2019, the termination year is 2019 and TID number is removed from 2019 tax roll
- Changes deadline for administrative fee (\$150 per active TID) from May 15 to April 15

2. TID Annual Report changes

- Effective: January 1, 2018 (for 2017 reporting year)
- Sets maximum penalty of \$6,000 for reports not filed timely – penalty for late filing remains \$100 per TID per day (applied beginning 60 days after report is past due)
- DOR reduces shared revenue payments for any unpaid penalty
- Removes the extra 30-day extension when an estimated report is filed

3. Base value for town TIDs created under 60.85

- Effective date retroactive to October 1, 2015
- Excludes town-owned property from the TID base value calculation
- Town TIDs are now consistent with municipal TIDs as changed in [2015 Act 255](#)

4. Notification to DOR of adopted amendments

- Effective: January 1, 2018
- Removes municipality's requirement to notify DOR of TID amendments during May 1 to May 21 each year
- Keeps requirement to notify DOR within 60 days after the amendment is adopted

Act 58

TIDs created in an electronics and information technology manufacturing (EITM) zone

- Effective: September 20, 2017
- Authorizes the creation of an electronics and information technology manufacturing zone and, in connection with that zone, creates special provisions for TIDs:

- » Exception to 12% limit (no limit for these TIDs and not in the calculation for other municipal TIDs)
- » 30-year life with expenditures allowed throughout life
- » Mixed-use or industrial types
- » Allows TID project costs throughout the county
- » Allows police/fire costs (with some limitations)
- There are separate due dates/timeframes for these TIDs:
 - » Municipal resolution adopted January 1 to December 1 – if resolution states effective same year, then forms due to DOR December 31
 - » Municipal resolution adopted January 1 to December 1 – if resolution states effective the following year, then forms due to DOR November 30 of the following year
 - » Municipal resolution adopted December 2 to 31 – effective date is the following year with the forms due to DOR November 30 of the following year

Act 70

1. Environmental Remediation (ER) Tax Incremental Districts (TID)

- Effective date: November 29, 2017
- ER TIDs created by a municipal resolution:
 - » Before November 29, 2017 – must follow sec. [66.1106](#), Wis. Stats., and are not affected by 2017 Act 70
 - » On or after November 29, 2017 – must follow sec. [66.1105](#), Wis. Stats.
- All ER TIDs must now be created under sec. [66.1105](#), Wis. Stats.

2. Requirements/limits

- Maximum life is 27 years with a possible three-year standard extension
- Before creating an ER TID under sec. [66.1105](#), Wis. Stats., the municipality must obtain a certification of its site investigation report from the Wisconsin Department of Natural Resources (DNR) and email both the report and certification to DOR. To obtain this certification, a municipality must provide DNR the site investigation report including:
 - » Description of the environmental pollution in the proposed district
 - » Proposed remedial action plan
 - » Cost estimates for expected project costs
 - » Schedule for remediation (design, implementation, construction)
- At least 50% of the TID area has significant environmental pollution
- Project plan must specify either:
 - » All project costs will be paid within 90% of the TID's remaining life
 - » Expenditures will only be made in the first half of the TID life; exception – expenditures for significant environmental pollution not identified in the certified site investigation report may continue for 22 years (5 years before the maximum life)
- May only allocate excess funds to other ER TIDs (created under sec. [66.1105](#) or [66.1106](#), Wis. Stats.)
- A municipality may designate only one ER TID created under sec. [66.1105](#) Wis. Stats., as excluded from the 12% value limit. Once the excluded TID is designated, it cannot be changed.

3. TID base value

- When an ER TID is created under sec. [66.1105](#), Wis. Stats., DOR sets the base value to \$1
- When the ER TID is amended to add territory, the full value of the additional parcels as of January 1 of the amendment year is added to the existing \$1 base value

2015 Acts 254, 255, 256, 257

Act 254

1. Three-year extension request

- Effective: March 3, 2016
- Allows municipality to amend the TID or request a three-year extension to a TID's life through a Joint Review Board (JRB) resolution if tax increments are impacted by 2013 Act 145 that increased state aid to technical colleges

2. DOR determination

- Effective: March 3, 2016
- Requires DOR to indicate in a fiscal estimate if a bill will increase or decrease the increment collection for TIDs or if the effect is indeterminate

Act 255

1. Removes vacant property restriction

- Effective for TIDs created or project plans amended on or after October 1, 2015
- Removes restriction that vacant property may not comprise more than 25% of TID for creations after effective date

2. Excludes city-owned property

- Effective for TIDs created or project plans amended on or after October 1, 2015
- Revises TID base value calculation to exclude exempt city-owned property

Act 256

1. Increases JRB review time

- Effective: March 3, 2016
- Changes JRB review period from 30 to 45 days to approve municipality's TID resolution

2. Changes levy limit calculation

- Effective: March 3, 2016
- Changes calculation of levy limit exception – a municipality's equalized value for preceding year excludes the value of any TID increments for the year a TID terminates

3. Restricts industrial zoning

- Effective: March 3, 2016
- TID industrial zoning requirements only apply to industrial TIDs

4. Changes public notice requirement on amendments

- Effective: March 3, 2016
- Changes Planning Commission Hearing Notice from Class 2 to Class 1 for TID amendments

5. Adds one more year to TIDs created between September 30 and May 15

- Effective: March 3, 2016
- Adds one-year life and allocation extension for new TIDs when the municipality adopts the resolution between September 30 and May 15

Act 257

1. Requires standing JRB

- Effective October 1, 2015 for 60.85 Town TIDs and October 1, 2016 for all TIDs
- Must meet July 1 annually or as soon as the annual report is available to review
- Remains in existence the entire time TID exists with same taxing jurisdictions
- May disband following termination of all existing TIDs
- Applies to all TID types, including industry-specific town TIDs and Environmental Remediation TIDs

2. Repeals DOR's review of industry-specific town TIDs

- Effective October 1, 2015 for 60.85 Town TIDs and October 1, 2016 for all TIDs
- Repeals DOR's review and determination whether the money expended, or debt incurred, by an industry-specific town TID complied with state law

3. Requires municipality to electronically submit annual TID Report

- Effective October 1, 2015 for 60.85 Town TIDs and October 1, 2016 for all TIDs
- Municipality must submit an electronic annual report for each existing TID to each overlying taxing jurisdiction. Annual reports are due to DOR starting July 1, 2016 for Town TIDs and July 1, 2017 for all other TIDs. The annual report must contain:
 - » Name assigned to the TID
 - » Developer named in agreement with municipality or receiving financial assistance
 - » Date municipality expects TID to terminate
 - » Tax increment amounts to be deposited into a special fund for the TID
 - » Contact person designated by municipality to respond to annual report questions
 - » Analysis of TID special fund:
 - Balance at beginning of the year
 - Amounts deposited by source, including amounts received from another TID
 - Special fund's expenditures by category of allowed project costs
 - Balance at end of year, including breakdown by source identifying portion of balance required for payment of anticipated project costs
 - Portion of ending balance not identified for payment of anticipated project costs designated as surplus

4. Requires DOR to develop annual report process

- Effective October 1, 2015 for 60.85 Town TIDs and October 1, 2016 for all TIDs
- Create format of annual reports in 2016
- Post reports no later than 45 days after receipt
- Determine whether to grant an extension if municipality provides evidence report is being completed
- Post on DOR website a list of extensions, period of extension and whether municipality filed annual report within extension period
- Notify municipality annual report is past due if municipality does not timely file
- Charge municipality \$100 each day annual report is past due. Fees will be deposited in common school fund.

II. Tax Incremental District (TID) Details

A. TID Creation

Wisconsin's Tax Incremental Financing (TIF) law regulates the creation of TIDs. The law requires specific documentation and establishes the procedures a municipality must follow to create a new TID. The purpose of the requirements is to make it easy for the public to obtain information and include the public in the decision-making process. The project plan makes the TID information clear to the public. Mandatory notices, a public hearing, and waiting periods ensure the opportunity for public participation. The municipality must also create a Joint Review Board (JRB) to obtain approval from the overlying taxing jurisdiction.

Follow these steps to create a TID under state law (sec. [66.1105](#), Wis. Stats.). The [TID Checklist](#) has additional details.

1. Prepare a proposed project plan describing the TID boundary, projects and costs (sec. [66.1105\(4\)\(f\)](#), Wis. Stats.)

- Identify the TID boundary, which must contain whole parcels and the minimum required acreage for the specific TID type. Review the [Resolution Checklist](#) for details.
- Review [Guidelines for Project Plans](#) for a list of all topics that must be covered in the Project Plan
- Projects impacting a TID, but not entirely in the TID's boundary, may have costs that are partly eligible (ex: if a water tower or sewer improvements serve the TID, the part of the total cost benefitting the TID can be paid with increment revenue). The municipality must determine how much of the cost is eligible and identify this cost in the plan.
- Wetlands can be within the TID's designated boundaries, but under state law cannot be included in a TID. To remove wetlands from the TID, include an explanation on the map or in the TID's boundary description stating all wetlands in the area are excluded from the TID. The exclusion of the wetlands must not eliminate the contiguity of the TID.
- When preparing the project plan for a TID creation or territory amendment, DOR recommends involving the municipal and state manufacturing assessors, and the county real property lister
- Town TIDs created under sec. 60.85, Wis. Stats., are limited to specific projects in the general categories of agricultural, forestry, manufacturing or tourism. Review the [Eligible Projects for a Town TID](#) web page for more information.

2. Prepare a notice – indicating when the municipality will hold the public hearing on the proposed project plan, boundaries and creation of the district (sec. [66.1105\(4\)\(e\)](#), Wis. Stats.). The notice:

- Must include the place, date and time of the hearing
 - » For a virtual meeting, include the web link or phone access code, plus contact information for anyone who needs an accommodation or assistance
- Must state that the municipality will provide a copy of the proposed plan on request
- Must include a statement about cash grants, if applicable
- Should include the location of the proposed district

3. If the TID is a blight or rehabilitation/conservation type, identify the affected properties – notify the owners of property identified as blighted or in need of rehabilitation/conservation at least 15 days before the public hearing (sec. [66.1105\(4\)\(c\)](#), Wis. Stats.)

Note: For town TIDs created under sec. 60.85, Wis. Stats., the municipality must send a notice to all property owners in the TID.

4. Send a copy of the hearing notice to overlying taxing jurisdictions by first class mail, prior to publication (sec. [66.1105\(4\)\(a\)](#) and [\(e\)](#), Wis. Stats.)

- Request that the local governing jurisdictions designate a representative to serve on the Joint Review Board (JRB)
- **Overlying taxing jurisdictions** – include any governmental entity with the power to levy taxes on property located within the proposed TID boundaries (ex: county, school district(s), technical college district and any special taxing jurisdictions)
- **Special taxing jurisdictions** – are metro sewer districts, sanitary districts or lake rehabilitation/protection districts
- Municipality must notify any affected special districts of the public hearing, but these special districts do not have a representative on the JRB

5. Publish two notices for the public hearing – the first notice 14 days before the meeting and the second, seven days before, following Wis. Stats. Chapter [985](#) (sec. [66.1105\(4\)\(e\)](#), and [66.1105\(5\)\(d\)](#), Wis. Stats.)

Notices must be published properly. Before publishing, verify the notice:

- Includes the place, date and time of the hearing
- States that the municipality will provide a copy of the project plan on request
- Includes a statement about cash grants, if applicable
- Includes the location of the proposed district
- Review the [TIF Public Notices](#) web page for sample notices and additional information

6. Convene a JRB and publish a meeting notice – at least five days before the first JRB meeting (secs. [66.1105\(4m\)\(a\)](#) and [66.1105\(4m\)\(e\)](#), Wis. Stats.)

- School district, county, technical college district and the municipality each appoints a member of the JRB
- JRB also includes a public member appointed by the other members
- **First meeting** – JRB must hold its first meeting within 14 days of the hearing notice publication, but before the public hearing. The representatives select the chairperson and public member at the first meeting.
- JRB must continue while any TID exists in the municipality (sec. [66.1105\(4m\)\(a\)](#), Wis. Stats.)
- Review [Joint Review Board](#) for more information on JRB representatives

Note: For a town TID created under sec. [60.85](#), Wis. Stats., the town must convene a JRB, however, a meeting notice is not required.

7. Hold a public hearing (sec. [66.1105\(4\)\(a\)](#), [\(e\)](#) and [\(f\)](#), Wis. Stats.)

- Planning Commission (or the municipality's Development or Redevelopment Authority) conducts a hearing on the proposed TID boundaries and project plan
- These topics can be discussed in the same meeting or separate meetings
- The meeting gives residents an opportunity to express their views

8. Adopt a Planning Commission resolution (sec. [66.1105\(4\)\(b\)](#) and [66.1105\(4\)\(d\)](#), Wis. Stats.)

The meeting to adopt the resolution can immediately follow the public hearing. The Planning Commission adopts a resolution that covers these items:

- Boundaries of the TID
- Approval of the TID's project plan
- After adoption, the Planning Commission submits its approval to the local legislative body

9. Approve the plan; adopt a municipal resolution (secs. [66.1105\(4\)\(g\)](#), [\(gm\)](#), [\(i\)](#) and [60.85\(3\)\(h\)](#), Wis. Stats.)

- Municipal legislative body approves the project plan and adopts the creation resolution
- Municipality must wait at least 14 days after the public hearing (30 days for a town TID created under sec. [60.85](#), Wis. Stats.) to adopt a creation resolution

- Boundaries adopted by the municipal legislative body are the final boundaries and do not have to match those adopted by the Planning Commission
- Project plan must be adopted before (or when) the TID is created
- Review the [Resolution Checklist](#) for details on required wording in the municipal resolution
- After the municipality adopts the project plan and creates the district, it forwards the documents to the JRB

TID's official creation date is the date the municipality adopts the creation resolution. Creation date determines:

- Start date for the TID maximum life and when expenditures (other than planning) begin and end
 - » **Note:** In 2015, [Act 256](#) (effective March 3, 2016) added one year of life for new TIDs when the municipality adopts the resolution between September 30 and May 15
- Valuation date
 - » When the municipality adopts the creation resolution by September 30, the valuation date is January 1 of the same year
 - » When the municipality adopts the creation resolution after September 30, the valuation date is January 1 of the next year
- When the creation documents are due to DOR
- Review the [TID Creation Timeframes](#) table for more information

10. Approve the proposal; adopt a JRB resolution (sec. [66.1105\(4m\)\(b\)](#) and [\(c\)](#), Wis. Stats.)

- JRB reviews the public record, planning documents and the municipal resolution
- JRB must approve or deny the TID within:
 - » 45 days after receiving the creation resolution for a municipal TID created under sec. 60.23(32) or 66.1105, Wis. Stats.
 - » 10-45 days after receiving the creation resolution for a town TID created under sec. 60.85, Wis. Stats.
- The JRB may hold additional public hearings
- JRB's decision to approve or deny the proposal must be based on three criteria – whether the:
 - » Expected development would occur without using TIF
 - » Economic benefits are sufficient to compensate for the cost of improvements
 - » Benefits outweigh the anticipated tax increments to be paid by property owners in overlying districts
- JRB resolution must confirm the proposal meets these criteria. Review [Joint Review Board](#) for more information.
- Majority of the JRB must approve the TID or it cannot be created
 - » The JRB must submit its decision to the municipality within seven days of making the decision
 - » If the JRB rejects the proposal, the JRB must provide a written explanation to the municipality

11. Notify DOR – municipal clerk should email tif@wisconsin.gov to notify DOR of the creation resolution within 60 days of JRB approval

12. Email the required documents (sec. [66.1105\(5\)\(b\)](#) and [\(c\)](#), Wis. Stats.)

After the municipality and the JRB approve the TID, the municipal clerk must provide all the required documents to DOR by:

- October 31 – for a municipal TID created under sec. 60.23(32) or 66.1105, Wis. Stats.
- December 31 – for a town TID created under sec. 60.85, Wis. Stats.

Required documents are described in the [TID Checklist](#):

- Legal documents (including required form)
- Map and boundary description
 - » Parcel identification numbers (or tax key numbers) must match assessment roll
 - » Parcel numbers on the map and value forms must match
- Project plan with attorney opinion letter
- Value forms with clerk and assessor declarations

The municipal resolution adoption date determines the creation year. For more details on relevant creation dates, review the [TID Creation Timeframes table](#). Review the [Municipal TID creation](#) or [Town TID creation](#) web page for required forms, publications, and more detailed information.

13. Pay the DOR one-time only TID creation fee of \$1,000 – through [My Tax Account](#) by October 31 (sec. [66.1105\(5\)\(a\)](#), Wis. Stats.)

14. DOR reviews and certifies (sec. [66.1105\(5\)\(b\)](#) and [66.1105\(5\)\(d\)](#), Wis. Stats.)

DOR verifies the above steps were followed before certifying the TID base value. DOR determines the full value of the taxable property within the district and emails a certification letter to the municipal clerk with the approved base value.

15. Identify the property on the assessment roll (sec. [66.1105\(5\)\(f\)](#), Wis. Stats.)

The municipal assessor must identify property within a TID on the assessment roll. The clerk verifies the TID number is coded to the property on the tax roll. Review the [TID Creation Timeframes](#) table to determine on which year's tax roll to include the TID number. The municipality must also notify the county real property lister about a TID creation.

B. TID Amendments

After a TID is created, the municipality may amend the TID.

1. Adopting a TID amendment

The process for adopting a TID amendment is similar to the process for creating the TID; however, there are two important differences. (sec. [66.1105\(4\)\(h\)1.](#), Wis. Stats.)

- Amendments require one notice (creations require two notices) prior to the public hearing
- There is no waiting period prior to the municipal resolution (creations require 14-30 days). The municipality may adopt the resolution any time after receiving the resolution from the Planning Commission.

Amendment notice must state:

- Amendment description, including purpose of the amendment, proposed projects and costs
- Place, time and date of the hearing
 - » For a virtual meeting, include the web link or phone access code, plus contact information for anyone who needs assistance
- That copies of the project plan are available on request
- If applicable, that cash grants are part of the costs

Review the [TID Checklist](#) for details on the steps and documents required for each amendment type. For each amendment, the municipality must create an updated project plan detailing the changes.

2. TID amendment types

a. Territory amendment (sec. [66.1105\(4\)\(h\)2](#), Wis. Stats.)

A municipality may revise the boundaries of a TID to add or remove property up to four times during the TID's life.

After DOR certifies a territory amendment, the municipal assessor must add or remove the TID number on the affected property on the assessment roll. The clerk must verify the TID number is coded to the property correctly. The municipality must notify the county real property lister about any property added to or subtracted from the TID.

1) Adding parcels

Parcels can only be added if:

- Additional territory is contiguous to the TID
- Municipality's equalized TIF value limit is below:
 - » 12% for cities or villages
 - » 7% or 5% for towns
 - » For more information review [TIF - Value Limit Common Questions](#)

Note: A town with a TID created under sec. 60.85, Wis. Stats., can only add territory once during the TID's first five years and cannot subtract territory.

See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Map and boundary description
 - » Map must identify added parcels but still show the entire TID boundary
 - » Parcel identification numbers (or tax key numbers) must match assessment roll
 - » Parcel numbers on the map and value forms must match
 - » Legal description must describe the full TID boundary updated to include the additional territory
- Project plan with attorney opinion letter
- [TID Base Value Workbook](#) with clerk and assessor declarations – only list the parcels that are being added to the TID
 - » When the municipality adopts the amendment resolution by September 30, the valuation date is January 1 of the same year
 - » When the municipality adopts the amendment resolution after September 30, the valuation date is January 1 of the next year

Review the [Territory Amendment \(adding parcels\)](#) web page for required forms, publications, and more detailed information.

2) Subtracting parcels

- The process for subtracting territory parallels the process for adding territory, except the subtracted values are based on the year the property entered the TID
- Parcels can only be subtracted if the TID boundaries remain contiguous after the subtraction
- Municipalities exceeding the value limit can subtract parcels
- Municipality must adopt amendment resolution by September 30 for the TID property to be removed from the next year's tax roll

See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Map and boundary description
 - » Map must identify subtracted parcels but still show the entire TID boundary
 - » Parcel numbers on the map and on the value forms must match
 - » Legal description must describe the full TID boundary updated after the removal of the subtracted parcels

- Project plan with attorney opinion letter
- [TID Territory Subtraction Workbook](#) with clerk and assessor declarations – list subtracted parcels and personal property with the value based on the year the property entered the TID

Review the [Territory Amendment \(subtracting parcels\)](#) web page for required forms, publications, and more detailed information.

3) Adding and subtracting parcels

- A municipality can add and subtract territory at the same time
- The process and requirements are the same as separate addition and subtraction amendments; however, territory is both added and subtracted in the same amendment
- An amendment adding and subtracting property at the same time is considered one amendment toward the limit of four
- A municipality may not subtract parcels and add them back into the TID in the same year

Parcels can only be added and subtracted if:

- TID boundaries remain contiguous after the addition and subtraction
- Value limit is met because, either the municipality is:
 - » Below the 12% value limit and remains below the limit after the addition and subtraction amendment
 - » Above the 12% limit, but the combined value of the addition and subtraction amendments results in a negative value

Note: The added property uses the current value and subtracted property uses the value from the year they entered the TID.

See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Map and boundary description
 - » Map must identify added and subtracted parcels but still show the entire TID boundary
 - » Parcel identification numbers (or tax key numbers) must reflect assessment roll
 - » Parcel numbers on the map and value forms must match
 - » Legal description must describe the full TID boundary updated to include the additional territory and remove the subtracted territory
- Project plan with attorney opinion letter
- [TID Base Value Workbook](#) with clerk and assessor declarations – only list the property being added to the TID
 - » When the municipality adopts the amendment resolution by September 30, the valuation date is January 1 of the same year
 - » When the municipality adopts the amendment resolution after September 30, the valuation date is January 1 of the next year
- [TID Territory Subtraction Workbook](#) with clerk and assessor declarations – list subtracted property and value based on the year the property entered the TID

See the [Territory Amendment \(adding parcels\)](#) and [Territory Amendment \(subtracting parcels\)](#) for required forms, publications, and more detailed information.

b. Project plan amendment

A municipality may amend the project plan to revise any of the topics covered in the most recently approved project plan. The amended TID project plan must still cover the topics outlined in the [Guidelines for Project Plans](#).

Generally, the municipality changes the projects and their costs. The municipality may need additional improvements in a TID to generate the desired growth or a TID may generate enough funds to finance additional

projects. If the municipality adds project costs, it must update the plan's financial analysis. The increment must still be able to pay for the improvements within the life of the district. A project plan amendment does not alter the expenditure period or the TID maximum life.

There is no limit on the number of project plan amendments during a TID's life.

See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Project plan with attorney opinion letter

Review the [Project Plan and/or Allocation Amendments](#) for required forms, publications, and more detailed information.

c. Allocation amendment (sec. [66.1105\(6\)\(d\)](#), Wis. Stats.)

An allocation amendment allows the municipality to redirect revenue from one TID (called the "Donor TID") to another TID (called the "Recipient TID"). This may be advantageous when one TID is generating more revenue than expected and another is performing below expectations.

Before an allocation amendment is adopted, the JRB members and the public must understand that it will direct more revenue than planned to the municipality's TIF fund. The increment revenue transferred from the donor TID to another TID postpones the date the donor TID can fully pay its costs and be terminated. This delays when the tax increment is available to the overlying taxing jurisdictions.

Allocation amendment requires:

- Donor and Recipient TIDs have the same overlying taxing jurisdictions
- Donor TID demonstrates the current increment is sufficient to pay off all costs and provide enough surplus revenue to pay some of the costs for the recipient TID
- Resolutions adopted by the Planning Commission and the legislative body to state specifically from which TID the increments are coming and to which TID the surplus is going

See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Project plan with attorney opinion letter

Allocations are only allowed in specific scenarios, which are outlined in the [TID Allocation Amendment Types](#). Review the [Project Plan and/or Allocation Amendments](#) web page for required forms, publications, and more detailed information.

d. Base value redetermination amendment

A municipality can request a base value redetermination for a TID in a decrement situation if:

- TID's current year equalized value (review the [TID Statement of Changes Report](#)) is at least 10% below the base value of the TID for two consecutive years (decrement) (sec. [66.1105\(5\)\(h\)](#) and (i), Wis. Stats.)
 - » Municipality's resolution date for the redetermination amendment determines the two consecutive years
 - The two most current years based on the date of the resolution are used
 - » Example: a municipal resolution adopted May 21, 2022, must show that both the 2021 and 2020 values are 10% below the TID's base value
- TID was created under state law sec. [66.1105](#), Wis. Stats.
- TID had no previous redetermination. Only one redetermination amendment is allowed during a TID's life.

Complete the [TID Base Redetermination Worksheet](#) to confirm the TID qualifies. The municipality must adopt the amendment resolution by September 30 for the value change to be effective the next tax year.

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See the [TID Checklist](#) for required documents:

- Legal documents (including required form)
- Project plan with attorney opinion letter
- [TID Base Redetermination Worksheet](#) showing the TID meets the decrement criteria

Review the [Base Value Redetermination](#) web page for required forms, publications, and more detailed information.

e. Distressed/severely distressed amendment (sec. [66.1105\(4e\)](#), Wis. Stats.)

From 2008 through 2015, a municipality could extend the life of a TID experiencing financial difficulty by adopting a resolution designating the TID as distressed or severely distressed. This allowed the TID additional time to pay off expenditures. The ability to use this designation ended on September 30, 2015. For more information, review the [TIF Distressed/Severely Distressed](#) web page.

f. Amendment fees and due dates (sec. [66.1105\(5\)\(a\)](#) and [\(b\)](#), Wis. Stats.)

Municipalities must pay a DOR amendment fee using [My Tax Account](#) for each territory (add, subtract or both) or redetermination amendment. There is no fee for project plan or allocation amendments.

Amendment Type	DOR Fee	Documents Due Date
Territory – Add parcels	\$1,000	October 31
Territory – Subtract parcels	\$1,000	October 31
Territory – Add and Subtract	\$2,000	October 31
Project plan	0	December 31
Allocation	0	December 31
Base value redetermination	\$1,000	October 31

C. TID Extensions

After a TID is created, the municipality may extend the TID's life in several ways. There is no DOR fee for a TID extension. Review the [Extensions](#) web page for sample resolutions and more detailed information.

Extension types:

1) Affordable housing extension (sec. [66.1105\(6\)\(g\)](#), Wis. Stats.)

After a municipality pays off a TID's project costs, it may extend that TID's life by one year if the municipality adopts a resolution that:

- Extends the TID's life for a specified number of months (up to 12)
- Specifies how the municipality intends to improve housing stock

The municipality must use at least 75% of the increment received to benefit affordable housing. The municipality must also use the remaining portion to improve housing. The municipality must email a copy of the municipal resolution to tif@wisconsin.gov. DOR will then authorize use of the tax increment from the TID's final year for affordable housing as described in the approved resolution.

2) Standard extension (secs. [66.1105\(7\)\(am\)1.](#), [2.](#), and [3.](#), Wis. Stats.)

A municipality may extend a TID's maximum life through a request to the JRB. If the municipality provides an independent audit showing the TID cannot repay project costs within the maximum life, the JRB must approve the extension. Without an independent audit, it is at the discretion of the JRB whether to grant the extension.

The length of the standard extension varies based on the TID type and creation date. Not all TID types are eligible for the standard extension. For details on extension eligibility by TID type, review the row titled "Standard extension allowed" in the [TID Criteria Matrix](#).

The municipality must email a copy of the JRB resolution to tif@wisconsin.gov. DOR will then approve the request and extend the TID's maximum life based on the TID type.

3) Technical college extension (sec. [66.1105\(7\)\(am\)4.](#), Wis. Stats.)

A municipality may extend a TID's maximum life by three years if [2013 Wisconsin Act 145](#) negatively affected the annual and total increment amounts. This act increased state aid to technical colleges and in some cases, decreased the tax levied and tax increment collected for the TID. This extension only applies to TIDs with a municipal resolution adopted by September 30, 2014. If the municipality provides an independent audit showing the TID cannot repay project costs within maximum life, the JRB must approve the extension. Without an independent audit, it is at the discretion of the JRB whether to grant the extension.

The municipality must email a copy of the JRB resolution to tif@wisconsin.gov. DOR will then approve the request and extend the TID's maximum life by three years.

Note: If a TID is eligible for both the standard and technical college extensions, the municipality can choose which type to request. The municipality may request both extensions at the same time or one at a time.

D. TID Maintenance

After a TID is created, municipal officials must maintain the TID in good standing with DOR and the overlying taxing jurisdictions that partnered to create the TID.

1. Annual filings with DOR

a. Administrative fee (sec. [66.1105\(6\)\(ae\)](#), Wis. Stats.)

Each municipality must pay a fee of \$150 for each active TID by April 15. During the first week of March, DOR sends each municipality a notification letter through [My Tax Account](#) (MTA) listing the active TIDs and the total amount due from the municipality. The fee must be paid through MTA. If the municipality does not pay the fee, DOR will not certify a value increment for that year.

Effective January 1, 2018, the administrative fee deadline changed from May 15 to April 15 with [2017 Act 15](#).

b. Municipal Assessment Report (MAR) (sec. [66.1105\(6\)\(a\)](#), Wis. Stats.)

On the MAR, the assessor identifies the current assessed value for each TID in the municipality. Assessors must electronically file (e-file) the [MAR](#) using [My DOR Government Account](#) (MyDORGov) by the second Monday in June. If final data is not available, the assessor must submit a best estimate. If the assessor does not file the MAR timely, DOR will use the previous years' non-manufacturing certified TID equalized value. As a result, any value increase will not be reflected in the value increment and the municipality does not receive the associated tax increment funds.

c. Annual reports (sec. [66.1105\(6m\)\(c\)](#), Wis. Stats.)

The municipality must complete an annual report ([Form PE-300](#)) for each TID describing the expenditures and revenues. By July 1 each year, the municipality must e-file this report using [MyDORGov](#). DOR posts the reports the day after submission. See the DOR website to review the submitted [annual reports](#).

By law, DOR must charge a penalty for any report that is not filed within 60 days after the July 1 due date. The penalty is \$100 per TID per day, after the 60-day grace period.

By July 1 or when the report is available, the municipality must provide a copy to the overlying taxing jurisdictions and hold a Joint Review Board to review the report. (sec. [66.1105\(4m\)\(f\)](#), Wis. Stats.)

d. Tax Incremental Worksheet ([Form PC-202](#))

The municipality must complete this form by the third Monday in December to calculate the amount added to the levy including the tax increment. The municipality must e-file this report using [MyDORGov](#) before calculating the tax rates. DOR posts the [Tax Increment Worksheet](#) annually in July for the prior year.

2. Periodic TID audits ([sec. 66.1105\(6m\)\(a\) and \(b\), Wis. Stats.](#))

At least three Certified Public Accountant (CPA) audits are required for each TID. The CPA must determine if the TID financial transactions are legal and comply with the project plan and TIF law. The cost of performing these audits is an eligible TIF project cost. Including the cost as part of the original project plan is advisable. The municipality must save a copy of each audit in its TID records.

Each audit is due within 12 months of:

- When the first 30% of the project costs are spent
 - » This audit may occur at different times for different TIDs depending on when project costs occur (ex: for a TID with \$1 million in total project costs, conduct the audit after the year spending reaches \$300,000, regardless of how much was spent that year or the age of the TID.)
 - » Include the revenues and expenditures from the TID creation through the year of the audit
 - » If the municipality adds projects as part of an approved project plan amendment, it must repeat the audit when the TID reaches 30% of the amended project costs
- End of the expenditure period
 - » Address the revenues and expenditures from the TID creation through the year of the audit
 - » The TID account may be in debt at this point because the tax increment revenue collected is less than the total expenditures for the TID
 - » Terminate the TID if increment revenue is greater than or equal to the total project costs
- Termination
 - » Accounts for all revenue and expenditures during the entire life of the TID, including any excess increment returned to the overlying taxing jurisdictions
 - » Review [TIF Termination](#) for more information

3. TID records

Every municipality with a TID must retain all records related to the TID including:

- Creations – project plan, legal documents, value forms, boundary legal description and map, DOR certification letter, developer agreement, if applicable
- Territory amendments – project plan, legal documents, value forms, boundary legal description and map, DOR recertification letter, developer agreement, if applicable
- Redetermination amendments – project plan, legal documents, decrement form, DOR redetermination letter
- Project plan and/or allocation amendments – project plan, legal documents, DOR approval letter, developer agreement, if applicable
- Extensions – adopted resolution, meeting notice and minutes, DOR approval letter
- Annual reports – copy of reports, JRB meeting notices and minutes
- Audit reports
- Terminations – adopted resolution, TID Final Accounting Submission Date Agreement ([Form PE-223](#)), TID Final Accounting Report ([Form PE-110](#))

E. TID Termination

Municipalities must terminate TIDs according to deadlines established by law. Review [TID Options Near Maximum Life](#), which explains choices for the municipality when a TID approaches its maximum life.

Follow these steps to terminate a TID:

1. Adopt a termination resolution

- A municipality must adopt a termination resolution when either of these occur:
 - » TID reached its maximum life
 - » TID received tax increment payments that equal the project costs
- A municipality may also choose to terminate the TID for some other reason

TID Maximum Life	
TID Type	Max Life
Any type created before October 1, 1995	27 years
Blight/Rehabilitation after October 1, 1995	27 years*
Industrial after October 1, 1995; before October 1, 2004	23 years*
Industrial or Mixed-use on or after October 1, 2004	20 years*
Environmental Remediation before November 29, 2017	23 years
Environmental Remediation on or after November 29, 2017	27 years*
Town TID created under sec. 60.85, Wis. Stats.	16 years

**Maximum life may be extended. Review [TID Extensions](#) for details.*

Review the [Municipal TIF Termination](#) web page for a sample termination resolution.

- If the municipality adopts the termination resolution and notifies DOR by April 15 of any year, the effective date of termination is the current year
- If the municipality adopts the resolution between April 16 and December 31, the effective date is the following year
- For more details on the termination effective date, review sec. [66.1105\(8\)\(b\)](#), Wis. Stats.
- Review [TID Termination Timeframes](#) table for additional information

2. Complete Form PE-223 and email documents to DOR (sec. [66.1105\(8\)\(a\)](#), Wis. Stats.)

Within 60 days of adopting the termination resolution or by April 15, whichever is sooner, the municipal clerk must email tif@wisconsin.gov:

- Copy of the termination resolution
- Completed Final Accounting Submission Date Agreement ([Form PE-223](#))

DOR recommends the municipality also notify its municipal assessor, county property lister, and overlying taxing jurisdictions.

3. Complete the TID Final Audit (sec. [66.1105\(6m\)\(b\)](#), Wis. Stats.)

Municipality must:

- Have a Certified Public Accountant (CPA) complete the final audit for all revenue and expenditures during the TID life
- Save a copy of the audit in its TID records and does not need to submit a copy to DOR

4. E-file the TID Final Accounting Report (PE-110) (sec. 66.1105(8)(c), Wis. Stats.)

- Before the termination is final, the municipality must electronically file (e-file) the Final TID Accounting Report ([Form PE-110](#)) using [MyDORGov](#)
- TID Final Accounting Report ([Form PE-110](#)) is due to DOR based on the date agreed upon between the municipality and DOR on the Final Accounting Submission Date Agreement ([Form PE-223](#))
- TID Final Account Report ([Form PE-110](#)) includes total expenditures and revenue during the TID life based on the final audit

If a municipality does not e-file this report within the specified timeframe, it will delay the certification of future TIDs. For more details on termination reporting, review (sec. [66.1105\(8\)\(c\)](#), Wis. Stats.).

Final Accounting Report must show either:

- Increment revenue paid all project costs and the TID account has a surplus. The municipality must return the excess increments to the overlying taxing jurisdictions in proportion to the amounts that belong to each taxing jurisdiction.
- Increment revenue did not cover the project costs and the TID account has a deficit. The municipality is responsible for paying the remaining debt.

The final TID account balance must be zero either after the surplus is distributed or after the municipality pays the remaining debt.

III. Joint Review Board (JRB)

A. JRB Purpose

State law requires a JRB to oversee each Tax Incremental District (TID). State law defines its members and responsibilities. JRB members represent a taxing jurisdiction (municipality, county, school, technical college). It is the JRB's responsibility to approve or deny the creation or amendment of a TID. When the JRB approves a TID, it agrees the development needs Tax Incremental Financing (TIF) to proceed. The JRB jurisdictions agree to sacrifice some amount of tax revenue for years into the future expecting the tax base will ultimately increase.

B. JRB Members

The JRB consists of one representative from each taxation jurisdiction (school district, technical college, county, municipality), and one public member.

District representatives

- **School** – the school board president, or their designee with preference to the school district's finance director. If the TID is located in a union high school district, the school seat is shared by the union high school representative and school district representative; each having one-half vote.
- **Technical college** – the technical college district director, or their designee with preference to the district's chief financial officer
- **County** – the county executive or the county board chairperson, or this person's designee with preference to the county treasurer
- **City/village/town** – the mayor or city manager, the village board president, town board chairperson or their designee with preference to the person who administers the economic development programs, the municipal treasurer or another person with knowledge of local government finances
- **Public member** – a majority of the other members chooses the public member at the JRB's first meeting. State law has no requirements for the public member. A public member can be appointed as chairperson. For a multijurisdictional TID, each participating municipality may appoint one public member.

If more than one school, union high school, technical college or county district has the power to levy taxes on the property within the TID, the district with the greatest **value** chooses the representative to the JRB.

Examples:

- School District "A" serves 75% of the area in the TID, but only has 40% of the TID value. School District "B" serves 25% of the area in the TID but has 60% of the TID value. District "B" chooses the JRB member.
- In the case of a territory amendment, if adding property from one county to an existing TID in a different county, the county with the majority value chooses the JRB member. The calculation to determine majority value is the existing base value plus the additional parcels' current value.

C. JRB Procedures

1. Organize the JRB

- When creating a TID, the municipality must send the overlying taxing districts a letter with a copy of the public hearing notice (by first class mail before the notice is published) to request a representative serve on the JRB
- Within 14 days after the public hearing notice is published and before the public hearing, all JRB members must be appointed and the first organizational meeting held. At the organizational meeting, the members must select a public member and chairperson by majority vote. They may also review details of the TID proposal. **Note:** For any TID amendment, state law requires an initial JRB meeting before the public hearing
- Any JRB member may request additional JRB meetings or public hearings
- At all JRB meetings, one of the members must take minutes and record votes. The municipality must keep the minutes in the TID records.
- The municipality must publish a notice for any JRB meeting at least five days before the meeting, under state law (ch. 985 and sec. 66.1105(4m)(e), Wis. Stats.). This does not apply to town TIDs created under sec. 60.85, Wis. Stats. or Environmental Remediation TIDs created under sec. 66.1106, Wis. Stats.

2. Approve or deny the resolution

- After receiving the municipal resolution, the JRB must meet again to vote on the resolution:
 - » **Within 45 days** – City/Village TIDs created under sec. 66.1105, Wis. Stats.
 - » **Between 10 days and 45 days** – Town TIDs created under sec. 60.85, Wis. Stats. or Environmental Remediation TIDs created under sec. 66.1106, Wis. Stats.
- The JRB adopts its own resolution to document its decision based on the three criteria required in state law

3. Respond to municipality

- JRB must respond to municipal officials within seven days of its decision
- If the JRB rejects a resolution, the JRB must explain in writing why the proposal did not meet the decision criteria

D. JRB Document Review

The municipality must provide the JRB with specific information under state law (secs. 66.1105(4)(i) and 60.85(3)(k), Wis. Stats.). JRB members may request missing or additional information.

1. Required information the municipality must provide

- Specific projects and costs, including the amounts expected to be paid by tax increments and the estimated tax increments over the life of the TID
- Value increment after project costs are paid and the TID terminates
- Reasons why the property owners benefitting from the improvements within the TID should not pay the project costs
- Share of the projected tax increments estimated to be paid by the property owners in each of the overlying taxing jurisdictions
- Benefits the taxpayers will receive to compensate for their share of the projected tax increments

2. Additional information the JRB must review (sec. [66.1105\(4m\)\(b\)1.](#), Wis. Stats.)

- **Public records** – copies of the public hearing minutes and notices
- **Planning documents** – copies of the project plan and signed development agreement, if applicable
- **Resolutions** – copies of the Planning Commission and municipal resolutions

3. Additional information the JRB may request

- **Economic feasibility study** – detailing the projected tax increments and estimates of increased property values
- **For multijurisdictional TIDs** – copy of the signed intergovernmental agreement created under state law (sec. [66.0301](#), Wis. Stats.). The agreement must provide the specific information listed in sec. [66.1105\(18\)\(b\)](#), Wis. Stats.

E. JRB Decision Criteria

The JRB must make a decision based on the documents and information provided by the municipality and three criteria found in state law (secs. [66.1105\(4m\)\(c\)](#), [66.1106\(3\)\(c\)](#), and [60.85\(4\)\(c\)](#), Wis. Stats.). The JRB must determine whether the:

1. Development expected in the TID would occur without the use of TIF ("but for" requirement)
2. Economic benefits of the TID, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements
3. Benefits of the proposal outweigh the anticipated tax increments to be paid by the property owners in the overlying taxing jurisdictions

Each criterion is important to ensure the TIF project is beneficial for all taxpayers in the overlying taxing jurisdictions. Many consider the first criterion, the "but for" requirement, the most important. "But for" gets its name from the phrase, "This development would not happen but for the financial support of TIF." This means the project is not economically viable without the use of TIF to pay for the infrastructure improvements. Review [But for Requirement](#) for more information.

Questions to consider

1. Would the expected development occur without ("but for") the use of TIF? Would the development occur if the project was scaled back or the timeframe pushed out? Did similar projects proceed without the use of TIF?
2. Will the development's economic benefits measured by increased employment, business and personal income and property value, compensate for the cost of the improvements?
3. Do the benefits outweigh the taxes residents of overlying districts are expected to pay?
4. How does the planned development fit into the overall economic picture in the district? How does the development fit with other development in the district? Will the potential businesses benefit the district in the long term? How many and what type of jobs will this development create?
5. How does the TID benefit taxpayers in my district? Is the total expenditure for eligible project costs feasible?
6. Is there a better use for the development site, the tax revenue and the limited TIF capacity?
7. What is the general opinion of my district's residents on this TID?
8. How will the planned development affect the demand for services in my district? Consider items such as: increased population, traffic impact, fire and police protection, emergency medical services, water, sewer, administrative services, increased student population, demand for training or housing.
9. Is the developer receiving a subsidy, such as a cash grant, incentive or forgivable loan? If so, how was the need and benefit analyzed? Is there a written developer's agreement? Was the public informed of the developer's subsidy in the published hearing notice?
10. What guarantees are in place to ensure the development will occur as anticipated and the property value will increase as expected?

F. DOR Review Procedure

Under state law (sec. [66.1105\(4m\)\(b\)4](#), Wis. Stats.), the JRB may request DOR review the facts contained in the documents listed in [Additional information the JRB must review](#).

1. To request a DOR review

- Majority of the JRB members must support the request
- JRB must submit a written request to DOR and must specify which fact or item the members believe is inaccurate or incomplete
- Review [JRB Request for DOR Review](#) for more information

2. DOR review

- Within 10 working days of receiving a request for review that complies with the filing requirements, DOR will investigate the issues raised and send a written response to the JRB
- If DOR determines the information does not comply with state law or contains a factual inaccuracy, the JRB may request (but may not require) that the municipality correct and resubmit the proposal for review
 - » **If the municipality resubmits the proposal** – the JRB must vote to approve or reject based on the criteria in state law. The JRB must submit its decision to the municipality within 10 working days after receiving the resubmitted proposal.
 - » **If the municipality does not resubmit the proposal** – the TID is not certified
- If DOR does not identify any factual inaccuracies, the JRB must vote to approve or reject as otherwise specified in state law. The JRB must submit its decision to the municipality within 10 working days of receiving DOR's written response.

G. After the JRB approves a TID

- Municipality sends DOR a request to certify the TID and includes all the required documents. If DOR determines procedures were followed, DOR will email the municipality a certification letter.
- While the TID is active, the JRB must meet yearly to review the annual performance and status of the TID based on the annual report (secs. [60.85\(4\)\(d\)](#), [66.1105\(4m\)\(f\)](#) and [66.1106\(3\)\(e\)](#), Wis. Stats.)

IV. Wisconsin Department of Revenue Responsibilities

A. Statutory Responsibilities

The Wisconsin Department of Revenue (DOR) has multiple responsibilities assigned by state law in administering Tax Incremental Districts (TIDs). These duties, include:

1. Determine property values

Establishing the equalized value of property throughout the state is one of DOR's primary responsibilities. Equalized value is an estimate of the total value subject to property tax in a district. DOR calculates the equalized value independently of the value estimate by the local assessor. DOR uses equalized values to calculate a TID's base value when it is created and to adjust the base value due to a territory addition or subtraction. For more details on determining a Tax Incremental Base, review sec. [66.1105\(2\)\(j\)](#), Wis. Stats.

When certifying a new TID, state law requires DOR to use the most recent equalized values as of the creation year. Based on the documents provided by the municipality, DOR determines the total equalized value of the taxable property in the TID. This valuation sets the district's tax incremental base. DOR provides the municipal clerk the certification letter with the base value. For more details on TID base certification, review sec. [66.1105\(5\)\(b\)](#), Wis. Stats.

For a territory amendment, DOR revises the base value according to the value of the territory added or subtracted. When adding territory, DOR uses the equalized values as of the amendment year. When subtracting territory, DOR uses the equalized values from the year the property was added to the TID.

DOR also uses equalized values to establish the TID's current value and increment value in each subsequent year. For more information on establishing a value Increment, review sec. [66.1105\(2\)\(m\)](#), Wis. Stats.

State law limits municipalities' use of TIF based on the equalized value. The equalized value of taxable property of the new or amended district, plus the value increment of all existing districts cannot exceed 12% of the total equalized value of taxable property in the municipality. This is called the "12% value limit." DOR posts the [TIF Value Limitation Report](#) yearly showing the existing limit calculation for each municipality based on existing TID's value increment and municipal equalized value. Before adopting a resolution to create or add to a district, the local legislative body must calculate the limit percentage using the new or amended TID's value plus the most recently reported equalized value increment and municipal value.

For more details on the 12% value limit, review sec. [66.1105\(4\)\(gm\)4.c.](#), Wis. Stats.

Note: Town TIDs created under sec. 60.85, Wis. Stats., have a 5% or 7% limit. For details, review the [TIF Value Limitation Report](#) or [Value Limit](#) common questions.

2. Approve TID actions

DOR reviews all TID creation and amendment documents to confirm the municipality followed procedures described in state law. This includes publishing notices, holding a public hearing, designating boundaries and adopting municipal and Joint Review Board (JRB) resolutions. DOR may not certify the base value of a new or amended TID if a municipality does not email DOR all required documents by the deadline. Also, DOR cannot certify the base until it confirms the municipality is within the 12% value limit. Review the [TID Checklist](#) and sec. [66.1105\(4\)](#), Wis. Stats. for more information. **Note:** DOR does not review the facts supporting any project plan adopted.

3. Collect fees and penalties

DOR collects a \$1,000 fee from municipalities for each resolution adopted to create or amend a TID's boundaries. For a territory amendment that both adds and subtracts property, DOR collects a \$2,000 fee. For a base redetermination amendment DOR collects a \$1,000 fee. For more information on TID fees, review sec. [66.1105\(5\)\(a\)](#), Wis. Stats.

State law requires DOR to penalize a municipality \$100 per day for each TID Annual Report not filed within 60 days of July 1. For more information on the TID Annual Report penalty, review secs. [60.85\(8\)\(c\)](#), [66.1105\(6m\)\(c\)](#), and [66.1106\(10\)](#), Wis. Stats.

4. Calculate tax increment

After the TID number is added to the property on the tax roll, DOR authorizes the allocation of tax increments each year. By April 15 each year, the municipal clerk must pay the administrative fee (\$150 per TID). When the municipality pays this fee, the TID is considered active and DOR calculates the increment for that year. Review sec. [66.1105\(6\)\(ae\)](#), Wis. Stats. for more information on the annual fee. For DOR to calculate the increment, the assessor must also e-file the Municipal Assessment Report ([MAR](#)) before the second Monday in June.

5. Track notification from municipality

TIF law requires the municipality notify DOR about TID amendments and terminations within 60 days of adopting the municipal resolution. The municipality should also notify DOR within 60 days of adopting a creation resolution.

For more information on:

- Amendment notification – review (sec. [66.1105\(5\)\(cm\)](#), Wis. Stats.), and [TID Amendments](#) for the amendment process
- Termination notification – review (sec. [66.1105\(8\)\(a\)](#), Wis. Stats.), [TID Termination](#) and [TIF Termination](#) web page for the termination process. Municipality must notify DOR within 60 days or by April 15, whichever is sooner.

6. Review requests for substantial compliance

DOR determines, on case-by-case basis, whether a municipality met substantial compliance when creating or amending a TID. Review [Substantial Compliance](#) for more information.

7. Review requests by the JRB

DOR may review specific documents or facts if requested by the JRB. Review [JRB Request for DOR Review](#) for more information.

8. Generate reports

Each year DOR must provide the equalized value of property in the TID to the officials for the overlying taxing jurisdictions. DOR posts this notice annually (approximately October 1) on the [TID Certification Report](#) web page. DOR also generates other reports to share TID information, including:

- [TID Statement of Changes](#)
- [Apportionment of County Levy](#)
- [Tax Incremental Worksheet](#)
- [TID Annual Report](#)
- [Reports](#) – select category "Tax Incremental Financing" for active TIDs, created TIDs, distressed TIDs, environmental remediation TIDs, terminated TIDs, and territory amended TIDs

9. Create TIF Manual and forms

Under state law, DOR creates and updates a TIF Manual to explain the TIF rules and processes. TIF staff revises documents and forms as new legislation is enacted. For more information on the TIF Manual, review sec. [73.03\(57\)](#), Wis. Stats.

10. Provide training and education

In addition to providing formal documents and publications, TIF staff is available to answer any questions; email questions to tif@wisconsin.gov. Also, use this email address to attach TID documents for new creations and amendments. TIF staff also provides information at workshops and conferences. Consultants and professional associations may also offer training workshops for TIF users.

DOR uses email to communicate TIF updates, announce updated reports and resources, and provide reminders on upcoming deadlines. Subscription to the TID/TIF email list is free and voluntary. [Sign up](#) on DOR's website by selecting the TID/TIF list and entering your email address. The addresses are only used by DOR to send these emails. Users may unsubscribe at any time by following the instructions in each message.

B. JRB Request for DOR Review

Before the JRB approves a TID creation or amendment, a majority of the JRB members can request that DOR review details in documents the JRB received from the local legislative body (city council, village board or town board). There are limited items subject to this review, and a strict timeline for making decisions. DOR's review can provide the JRB with an objective assessment of the facts and documents presented by municipal officials.

Note: DOR only reviews objective facts in hearing documents or resolutions for inconsistencies or factual inaccuracies. DOR does not review economic assumptions, eligible project costs, non-project costs, forecasts, projections, development estimates or other non-factual items.

Review steps and timeline

After the local legislative body adopts the TID creation or amendment resolution, it forwards the resolution to the JRB for consideration. Once received, the JRB must approve or deny the resolution within 45 days. During its deliberations, a majority of members may request a formal DOR review under state law (sec. [66.1105\(4m\)\(b\)4](#), Wis. Stats.).

1. JRB request – to begin the review process, the JRB must submit a formal request to DOR before the deadline for JRB action (45 days after receipt of resolution). The request must be in writing and include the following:

- Municipality's name and TID number
- List of JRB members, meeting date, and a record of the vote requesting DOR review (majority of the members must support the request)
- Copy of the documents subject to the review
- Specifics for DOR to review:
 - » Items for completeness
 - » Facts for accuracy

Because of the tight deadlines imposed by law, the JRB must provide all documentation with the request that impacts the proposal. This ensures DOR has all documents to complete the review. The submission should include any information that provides insight into the accuracy of the reviewed document.

2. DOR review – within 10 working days after receiving the request, DOR will investigate the issues raised and send the JRB a written response

- **If DOR does not identify any inaccuracies during the review** – DOR will send its response to the JRB. The JRB then has 10 days to submit its decision (approving or denying the TID) to the local legislative body. The JRB must approve or deny based on the same criteria as if no review was requested. See [JRB Decision Criteria](#).
- **If DOR finds a factual inaccuracy or the proposal does not comply with the statutes** – DOR will respond to the local legislative body, not to the JRB. DOR's letter will describe the inaccuracy and direct the municipality on how to correct the error. The JRB may request, but not require, the municipality to correct the errors and resubmit the proposal.
 - » **If the legislative body decides to resubmit the proposal**
 - It must do so within 10 days of receiving DOR's letter
 - JRB must then act to approve or deny the TID resolution within 10 days of receiving the resubmitted proposal
 - » **If the legislative body decides not to resubmit the proposal**
 - DOR will not certify the new TID. Any costs already incurred in the TID creation, become the responsibility of the municipality.
 - DOR will not approve a TID amendment and the municipality cannot proceed with any action based on the amendment

C. Substantial Compliance

DOR follows specific requirements in TIF law to approve or deny TID creations or amendments. If a municipality meets the essential statutory requirements for creating or amending a TID, but missed a certain requirement, then the municipality may use the substantial compliance process.

If the municipality did not meet a requirement, it must send a letter to DOR requesting a finding of substantial compliance. For DOR to approve the request of substantial compliance, the municipality must show the missed requirement does not affect the fairness of the process or the public's ability to participate in the process. Once received, DOR reviews the request and decides whether substantial compliance is met. If it is, DOR sends an approval letter and the municipality may create or amend the TID as if the law had been followed. For more information on substantial compliance, review sec. [66.1105\(15\)](#), Wis. Stats.

1. Municipality can request a finding of substantial compliance for:

- **Public hearing notices including failure to:**
 - » Publish the required notices timely or correctly
 - » Include required wording on cash grants or that the project plan is available upon request
- **Failure to:**
 - » Notify the overlying taxing jurisdictions timely or correctly
 - » Notify property owners of a blight or rehabilitation/conservation TID timely or correctly
 - » Include all necessary information in the project plan
 - » Wait 14 days after the public hearing to adopt the municipal creation resolution
 - » Provide DOR all required documents

2. Municipality cannot request a finding of substantial compliance for:

- Planning Commission, Municipality or Joint Review Board fails to approve the resolution
- Required TID documents are not submitted to DOR timely, by:
 - » October 31 – creation, territory amendments, or base value redeterminations
 - » December 31 – project or allocation amendments; Town TID creations (sec. 60.85, Wis. Stats.)

3. Head of government must submit a formal letter to DOR

Request must include:

- Details of the error, including the specific section of the law not followed
- Explanation of why the error occurred and how the interests of the public were not affected
- Request for a finding of substantial compliance
- Description of actions taken to ensure the error does not reoccur

If DOR determines the municipality complied with the law in a way that does not significantly affect the fairness of the TID process, then DOR approves the request. The TID approval proceeds as usual. DOR administers a new or amended TID certified under the substantial compliance provision in the same way it administers other new or amended TIDs.

If DOR determines the error did substantially affect the public, DOR must deny the request. The TID creation or amendment cannot proceed.

V. Considerations for the Municipality

A. "But For" Requirement

TIF benefits municipalities by encouraging development that would not occur without TIF assistance. This standard is called the "but for" requirement. The name comes from the assertion, "The development would not occur but for the use of TIF." In other words, the proposed development would not happen without financial support from TIF. For example, a development may not occur in a certain area because there are not enough streets, sidewalks, sewer lines or other types of physical infrastructure. After using TIF to build these improvements, the development becomes cost effective and proceeds.

1. Meeting the "but for" requirement

It is important all local officials understand and can justify the "but for" requirement. When the Planning Commission and local legislative body review new developments requesting TIF, they should consider how the development could help their municipality and the effect on projected profits for the developer. Review [Questions to consider](#) for more information.

The JRB must consider the "but for" requirement before approving a TID creation or amendment. According to TIF law, the JRB must base its approval on three criteria listed in state law (sec. [66.1105 \(4m\)\(c\)](#), Wis. Stats.), whether the:

- a. Development expected in the TID would occur without the use of TIF
- b. Economic benefits of the TID, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements
- c. Benefits outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing districts

The second and third criteria work with the "but for" requirement. Meeting these criteria demonstrate that using TIF is justified. JRB members should ask relevant questions and request documentation to confirm claims related to the "but for" requirement. They can hold additional public hearings if needed.

Before JRB members agree to the "but for" criterion, they must have convincing evidence showing TIF is necessary to make the development possible. The members sacrifice some tax revenue for the taxing jurisdiction they represent many years into the future. If TIF is not needed before a development proceeds, the JRB members should not agree to the "but for" criterion.

2. What "but for" means

When considering a new development project, there is often considerable risk for the developer. As a reward for taking the risk, the developer must make a certain profit. Even if the developer expects a profit, it may not be large enough to compensate for the risk; therefore, the project may not be worthwhile.

TIF can alter the profit picture by shifting some of the development costs from the developer to the taxpayer. For example, a site may require environmental cleanup, which can be costly. If a municipality cleans up the site and pays for it with TIF, the developer does not take on this cost.

Why would a municipality take on expenses and risks to increase the profits of a private developer? The concept of TIF is that there are some projects the municipality finds desirable but are not profitable enough for private developers. By accepting increased risk and paying for physical improvements in the short-run, the municipality benefits from an increased tax base after the TID terminates. The municipality must evaluate the short-term risks and the long-term benefits to determine whether a TIF project is worthwhile. The JRB must also agree the long-term benefit is worth the short-term cost.

Examples and why the "but for" requirement is important

1. A developer would like to build a strip mall on vacant land near a freeway interchange. The developer requests TIF assistance to pay for roads and sewer line connections. The municipality decides not to use TIF, but the developer builds the mall anyway. The developer pays for the roads and sewer lines in addition to the cost of constructing the building. The property value increases due to the site improvements. This results in increased tax revenue for the taxing jurisdictions without using TIF.
2. The same scenario but after the municipality decides against using TIF, the developer decides not to proceed with the project; the property is not developed and remains vacant. The municipality continues to collect the small tax revenue from the vacant land.
3. The same scenario but this time the municipal government negotiates with the developer. After the developer shows how public funding of some infrastructure will make the project feasible, the municipality approves TIF. The vacant land value establishes the TID's base value. Later improvements (ex: construction of the mall) increase the value and create the value increment. The tax revenue on the value increment funds the roads and sewer lines.

In the first example, the municipality's tax base grows due to private investment. Growth usually occurs this way. Due to the growth, the tax levy is distributed over more property value. In the second example, the development does not happen because the project is not profitable. The tax base does not grow and the tax levy stays the

same. In the third example, the development happens using TIF. Taxes pay for some infrastructure improvements. In the end, the tax base grows, but at the cost of higher tax levies during the TID life.

If a proposed development would occur without TIF, the municipality should not use TIF because it will cost taxpayers more than it should for the resulting growth. However, if the municipality uses TIF to encourage a development that would not otherwise happen, the tax base can be increased. A larger tax base may reduce tax bills. The "but for" requirement is critical to this distinction. The "but for" finding means the JRB believes the development will not occur without some public assistance. The JRB is approving the use of property tax money, which would otherwise fund each taxing district, to generate growth. By encouraging growth, TIF can be a useful tool to increase the tax base.

B. Risk Factors

TIF is one of the most powerful tools available to local governments for encouraging development. Using tax revenues to finance certain site improvements encourages growth by attracting development; however, using TIF has risks, which include:

1. Over-investment

One common TIF use is infrastructure improvements (ex: sewer lines, roads, curbs and gutters) to make a site more attractive. When a municipality enhances a site with physical improvements, there may be fewer costs to locate a business there. Municipalities make these investments because the private development should expand its tax base. With TIF, this growth pays for the infrastructure investments that encouraged it.

Municipalities can invest significant amounts of money in infrastructure improvements, hoping growth will follow. But if no private development occurs, there may be no tax increment revenue to pay for those improvements. Without increment revenue, the municipality must use general tax revenue to finance improvements. Paying for these costs without a larger tax base may result in higher taxes.

Another risk of over-investing occurs when the site improvements prevent some types of development. For example, roads, sewer lines, sidewalks and curbs installed in a TID allow almost any use of available land (ex: commercial, residential, industrial). But new buildings may limit the potential uses. In this case, the improvements meant to attract development could prevent it.

Municipalities can avoid over-investing by planning improvements in stages based on the TID's location or the investment amount. When using this approach, the municipality improves one area and development occurs before moving to the next phase. Part of the TID grows before the municipality completes all improvements. Each phase's development generates tax increment to pay for the next phase of improvements. The phased approach encourages a steady growth and prevents the municipality from spending too much money before knowing if development will occur.

Important

Municipalities can amend TID project plans unlimited times during the TID's expenditure period and can change TID boundaries up to four times. These amendments allow for flexibility in planning, which can reduce development risks. Review [TID Amendments](#) for more information on the amendment process.

2. Under-investment

The opposite of over-investing is not improving the site enough to attract development. If a site does not have any improvements, businesses may not find it attractive to locate there. If a municipality is too cautious using TIF to finance improvements, the expected development may not occur.

A coordinated approach may reduce this risk. Rather than waiting for development to occur after site improvements, coordinating investments with development ensures the growth and investment happen together. Good planning and a phased approach to development can help make a TID successful.

3. Dislocation

Municipalities might create TIDs to encourage the growth in a new retail or commercial district. These TIDs can use large sections of vacant land near the edge of town or highway intersections. This may be a good way to add to the non-residential tax base.

However, a municipality must consider how a new commercial development will affect existing businesses. For example, a new strip mall along a major highway may increase tax revenue and take advantage of a prime location. But the new development could reduce retail business in a downtown or main street corridor. If using TIF damages existing businesses, their property value decrease may offset the property value increases in the TID. As a result, the municipality may show no net growth.

A municipality must also consider the impact of its new development on neighboring communities. Individual municipalities create their own TIDs, but their decisions may affect surrounding communities. Municipalities should work together to increase growth and development. JRB representatives should share concerns on how using TIF may impact their jurisdiction (county, school or technical college).

4. Excess growth

State law limits how much property municipalities can have in TIDs at one time. This restriction is the "12% value limit." The total value increment for all existing TIDs divided by the total equalized value of the municipality cannot exceed 12%. When a municipality reaches this limit, it cannot create any new TIDs and cannot add property to any existing TIDs.

A well-planned TID may create significant new growth. If this growth results in significant increment revenue, it allows many projects or makes costly projects possible. The risk for a successful TID is having so much growth in the TID that the municipality exceeds the 12% limit. A fast growing TID in a small community could contain over 12% of the municipality's value after a few years.

Example: Village of Beta has a total equalized value of \$1,000,000. To encourage growth, it creates an industrial TID made up of vacant land. As growth begins, the property value increases. When the TID's value increment exceeds \$120,000, the Village will pass the 12% limit.

Once the municipality reaches the limit, it cannot create any new TIDs until it terminates a TID or subtracts some property to reduce the value increment.

To avoid this risk, a municipality may plan a smaller TID, resulting in smaller value increment. The municipality can also create TIDs likely to generate development outside the TID. That way property values grow both inside and outside the TID, maintaining stable TIF capacity. The municipality can also remove some land from a TID to reduce the municipality's TIF usage. Using other incentives to encourage growth outside of TIDs can also help avoid this risk.

5. Impacts of growth

Using TIF to attract development can increase growth. In Wisconsin, communities create "comprehensive plans" with descriptions of growth expectations. Municipalities must plan TIF development carefully to ensure it fits the community's overall plan. For example, a municipality designates an area for residential development; however, an industry wants to use TIF to expand in that area. Expanding industrial use may make the area less attractive for residential development. Municipalities should anticipate these effects when creating TIDs.

Municipalities must also consider the increased demand on services (ex: emergency responders, police and fire protection, traffic, trash, water, schools and housing). The comprehensive plan should address these development impacts. For example, if the TID includes residential development, the municipality must also address the increased demands on public schools as more families move into the district. Jobs are also an important factor to consider. New residents will not move to a new residential development without jobs in the area. Therefore, municipalities must consider the growth within the TID and outside the TID as a whole.

6. Political risks

The municipality's elected officials are responsible for creating TIDs. The public may hold them accountable for any unfavorable outcomes. Planning the TID with public input in mind is important. TIF law requires one public hearing, but with a controversial proposal, additional hearings may be worthwhile. The Planning Commission, local legislative body, or JRB can hold additional hearings. These hearings provide more opportunities for public input and for those opposed to make their case. Elected officials decide what action to take, but hearing from their constituents may help them make a better decision.

7. Development risks

A TID's success depends on the amount of growth and private development. When the expected growth does not occur, the municipality must pay for the improvements with general-purpose tax revenue. This may result in a higher tax levy.

Municipalities can use development agreements to reduce risk. These agreements establish the municipality's and developer's expectations for the development itself and the timeframe. Some development agreements include a "look back" clause requiring periodic review of the developer's progress compared to specific project requirements. These clauses may require assessment of the development generated compared to TIF costs spent. Other provisions can:

- Limit the profit a developer makes on the subsidized development (with surplus profits going to the municipality)
- Require specific property uses within the TID
- Require a minimum property value
- Require the developer pay some project costs if the development does not proceed as expected

If both parties agree to the development terms in advance, it decreases the chance of a conflict later.

C. Intergovernmental Agreements

1. Boundary agreements

Growth near municipal borders can strain relations between municipalities because development affects surrounding areas. Issues including, cost of servicing the new growth, increased pollution or traffic, effects on the housing market and on public schools, and other complicated matters can create problems.

Two or more neighboring municipalities can use boundary agreements to manage their growth. By partnering to address issues, local officials may be able to prevent problems. In the agreement, they can explore solutions, such as collaborative services (where one municipality provides services to another at a negotiated price), tax sharing, annexation agreements, border freezes, and cooperative development.

Each solution is unique to the issue facing the specific municipalities. Municipalities interested in using boundary agreements can consult the [Wisconsin Department of Administration](#) or the [University of Wisconsin Cooperative Extension](#).

There are two types of TIDs that require special agreements:

- Cooperative TIDs – require municipal officials to sign a boundary agreement
- Multijurisdictional TIDs – allow two or more cities to enter into an intergovernmental cooperation agreement under state law (sec. [66.0301](#), Wis. Stats.), to create a TID

2. Cooperative TIDs (sec. 66.1105(16), Wis. Stats.)

Cooperative TIDs are for towns with development needs more like those of a city. A Cooperative TID allows a town that signs a boundary agreement with a neighboring city or village to exercise City/Village TIF powers following sec. 66.1105, Wis. Stats. This means the town can create additional TID types not usually available to towns, including industrial, mixed-use, rehabilitation/conservation, blight and environmental remediation.

Note: Only a town that shares a border with a city or village can sign a boundary agreement and then create a cooperative TID.

In addition to other requirements, a Cooperative TID also requires the:

- Town to enter into an agreement with a city/village, under sec. 66.0307, Wis. Stats.
 - » The city/village must agree to annex all or part of the town in the future, including the TID
- City/village that is annexing the town to adopt a resolution approving the creation of the Cooperative TID
- Cooperative TID to be completely within the territory that will be annexed by the city or village

The same rules and timelines required to create a TID under sec. 66.1105, Wis. Stats., apply to a Cooperative TID. Cooperative TIDs have the same lifetime, expenditure period, reporting and audit requirements as other TIDs created in a city/village under sec. 66.1105, Wis. Stats. Review [TID Details](#) for more information.

After the city/village annexes the land in a Cooperative TID, the city/village must administer the TID according to the requirements in sec. 66.1105, Wis. Stats.

The TID also has these conditions (sec. 66.1105(6), Wis. Stats.):

- Creation date is the date the town adopted the resolution creating the TID
- Project plan is the plan approved by the town when the TID was created

3. Multijurisdictional TIDs (sec. 66.1105(18), Wis. Stats.)

Some cities would be better able to meet development needs if they could collaborate with other cities. A Multijurisdictional TID allows two or more cities that enter into an intergovernmental cooperative agreement to create a joint TID. The TIDs created under this section are the only ones that can be created in more than one municipality.

The same rules/timelines for a TID created under sec. 66.1105, Wis. Stats., apply to a Multijurisdictional TID.

Multijurisdictional TID must also follow these requirements:

- Two or more cities must enter into an intergovernmental cooperation agreement under sec. 66.0301, Wis. Stats. Each city participating in the agreement must border at least one parcel in one of the other cities.
- TID's borders must contain territory in all the cities that are part of the agreement
- District's area must be contiguous
- Each municipality's appointed public member on the Joint Review Board (JRB) must approve the TID (sec. 66.1105(4m)(b)2., Wis. Stats.)

a. Intergovernmental cooperation agreement must contain:

1. Description of how the participating cities will meet the requirements of sec. 66.1105, Wis. Stats., and exercise the authorized powers
2. Description of how decisions will be made related to incurring debt, spending funds for project costs, and distributing positive tax increments allocated by the Wisconsin Department of Revenue (DOR)
3. Description of which city will be authorized by the other participating cities to act on behalf of the other cities on some or all matters relating to the district
4. Binding dispute resolution procedure the cities will use to resolve any disputes, including provisions allowing the cities to dissolve the district

5. Description of the proposed membership for the JRB
6. Description of the responsibilities for each city's Planning Commission, the membership and authority of the TID's Planning Commission, and the operating procedures of the TID's Planning Commission
7. Description of the responsibilities for each city's clerk, treasurer, assessor, and any other official carrying out the TIF law requirements, and which clerk, treasurer, assessor, or official will be responsible for each task specified in the law
8. Agreement on which city will be the lead city responsible for completing any documents or tasks
9. Agreement that the lead city will submit all the TID's documents at one time
10. Statement that the entire TID will terminate at one time (as a single entity) and that the lead city will submit all necessary termination notices and reports to DOR
11. Detailed description of the procedures participating cities will follow to determine:
 - a. When the TID's life may be extended
 - b. How the project plan or boundaries can be amended
 - c. How any annexation costs incurred will be shared

b. Limitations – Multijurisdictional TID may not:

- Become a donor district or receive tax increments from a donor district
- Incur project costs for any area outside the TID's boundaries
- Cause any participating municipality to exceed the 12% value limit. The 12% limit applies to all cities that are part of a Multijurisdictional TID. The total base value of the Multijurisdictional TID plus the existing value increment for TIDs in an individual municipality divided by that municipality's equalized value equals the value limit percent.
 - » Exception – when an individual municipality exceeds the 12% limit, if the governing bodies of all overlying taxation districts for that municipality each adopt a resolution approving the TID's creation even though that city exceeds the 12% limit, the TID may be created under sec. [66.1105\(18\)\(c\)3](#), Wis. Stats.

Multijurisdictional TIDs have the same lifetime, expenditure period, reporting, and audit requirements as TIDs created under sec. 66.1105, Wis. Stats. Review [TID Details](#) for more information.

4. Comprehensive plan

Long-term growth in a community is often facilitated by creating a comprehensive plan. Growing communities should consider the need for a comprehensive plan to help direct growth. A county, municipality or regional planning commission can create a plan for the area. State law outlines the necessary parts of a comprehensive plan in sec. [66.1001\(2\)](#), Wis. Stats. These include housing, transportation, economic development and intergovernmental cooperation.

D. Effects on Overlying Taxing Jurisdictions

Although cities, villages and towns create TIDs, other overlying taxing jurisdictions participate in financing a TID. Counties, school districts, technical college districts, metropolitan sewer/town sanitary districts and lake protection/rehabilitation districts all provide TIF through their property taxes. Officials in these districts should understand how the use of TIF in their districts affect tax collections. Review [How TIF Works](#) for more information.

1. Effects on all overlying taxing jurisdictions

- Creating a TID may result in larger levies in the short term due to the tax increment
- The TID's property value increase is removed from the equalized value of the district for tax apportionment purposes
 - » As a result, the tax rate for all residents of the district is the same
 - » This also contributes to replacing the revenue that would have been generated by that portion of the property value

- The TID's value increment is used to calculate the tax increment and pay for TID improvements
- The tax levy may be reduced over the long term if the TID creates development that would not have happened without using TIF
- When the TID closes, the larger tax base may reduce taxes on residents of the overlying taxing jurisdictions

2. District specific information

- A large part of tax increment revenue comes from the school levy. In most areas, the school levy represents the largest portion of the property tax bill.
- School districts, technical colleges and county governments receive property taxes and state aid
- Special taxing jurisdictions created for certain purposes, such as lake protection and rehabilitation, sewer management, and sanitary services do not receive state aid and depend entirely on their taxable property to generate revenue

Note: Although the municipality creating a TID must notify any affected special districts, these special districts do not have a representative on the Joint Review Board.

VI. Tax Incremental Financing (TIF) Glossary

A. TIF vs. TID

It is important to understand the difference between these two terms:

TIF – Tax Incremental Financing; an economic development technique available for municipalities to expand its property tax base, where the development would not occur without public assistance

TID – Tax Incremental District; the contiguous geographical area within a municipality identified for development using Tax Incremental Financing. A TID consists of whole units of property assessed for general property tax purposes not including railroad tracks, rivers or highways, or wetlands (sec. [23.32](#), Wis. Stats.).

B. Other Terms and Concepts

Affidavit – sworn statement made in writing. Municipalities must provide DOR an affidavit from the official newspaper confirming the publication dates for any public hearing or JRB meeting notice.

Affordable housing – housing that costs a household no more than 30% of the household's gross income. A municipality may extend the life of a TID which has paid project costs up to one year if it uses 75% of the final increment on affordable housing.

Amendment – general category for types of changes to a TID. All amendments must be submitted to the Wisconsin Department of Revenue (DOR) for approval. Review [TID Amendments](#) for details.

- **Allocation** – transferring an identified amount of increment funds from one TID (donor TID) to help pay the costs of another TID (recipient TID)
- **Project plan** – a change to the TID project plan. The change may add projects, modify eligible costs, change financial plans, add cash grants, or half-mile radius option.
- **Territory** – a change to the area or boundary of a TID. Territory may be added or subtracted up to four times during the life of a TID. The TID boundaries must remain contiguous.
- **Base value redetermination** – a reduction of the TID's base value. To qualify, the TID's equalized value must be at least 10% below the current base value of the TID for two consecutive years.

Annexation – the transition of land from the control of one entity to another. In relation to TIF law, this usually refers to town territory annexed by a city or village. After January 1, 2004, annexed land cannot be included in a new TID or added to an existing TID, unless one of the following applies:

- At least three years since the annexation occurred
- City/village has a cooperative boundary agreement with the town
- City/village pledges to pay the town an amount equal to the property taxes levied on the annexed territory for each of the next five years

Base value – the total value, as equalized by DOR, of the real property located within the TID as of the valuation date.

Blighted area – areas in a damaged condition. TIF Law provides two specific meanings for the designation of blight. Neither definition includes any open land developed only for agricultural purposes:

- **Definition 1:** An area in which the structures, buildings or improvements contribute to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and are detrimental to the public health, safety, morals or welfare, due to dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light air, sanitation or open spaces, high density population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes
- **Definition 2:** An area which is predominantly open and which consists primarily of an abandoned highway corridor as defined in sec. [66.1333\(2m\)\(a\)](#), Wis. Stats. or that consists of land on which buildings or structures have been demolished and because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, substantially impairs the sound growth of the community

Boundary agreement – an agreement between two adjoining municipalities about their cooperation regarding issues such as land use, services, revenues, or boundaries. This type of agreement allows territory annexed from a town after January 1, 2004 to be included in a TID even if three years have not passed since the annexation. Sec. [66.0307](#), Wis. Stats., provides for the boundary agreement mentioned in TIF Law. Review [Intergovernmental Agreements](#) for more information.

Cash grants – payments made from tax increments to owners, lessees or developers of property included in a signed development agreement. The municipality must send a copy of the agreement to the JRB or, if the TID terminated, retain the agreement in the official TID records. The municipality must also include a statement about cash grants in the public hearing notice.

Class 1 notice – legal announcement of a meeting or hearing following ch. [985](#), Wis. Stats. This notice requires one publication at least seven days before the event. The public notice must be published in a newspaper likely to notify the people or place affected by the TID. The notice must say when, where and for what purpose the meeting or hearing is being held. Public hearings regarding any type of TID amendment require a Class 1 Notice; however, all Joint Review Board (JRB) meetings regarding the TID require notice at least five days before the meeting.

Class 2 notice – legal announcement of a meeting or hearing following ch. [985](#), Wis. Stats. This notice requires two publications, one in each of two consecutive weeks with the last published at least seven days before the event. The public notice must be published in a newspaper likely to notify the people or place affected by the TID. The notice must say when, where and for what purpose the meeting or hearing will be held. Public hearings regarding the creation of a TID require a Class 2 Notice.

Contiguous – geographically connected or sharing a border. All parcels in a TID must be contiguous.

Creation – the process of starting a TID. This process includes identifying a contiguous geographic area targeted for development, writing a plan for the area, organizing a JRB, holding meetings and a public hearing, adopting resolutions and submitting the necessary documents to DOR. Review [TID Creation](#) for more information.

Creation date – the date the municipality adopts the creation resolution for the TID. The creation date determines the maximum life and the beginning of the expenditure period. Only costs related to planning for the TID can be incurred before the creation date.

Creation resolution – the municipality's formal document approving the TID. This document must contain specific information about the TID. Review the [Resolution Checklist](#) for details on content.

Current value – the total equalized value of the real property in the TID as of January 1 of the current year, certified annually on approximately October 1.

Decrement situation – when the value of all taxable property within the TID, as equalized by DOR, is at least 10% less than the base value for two consecutive years.

Distressed TID – designation in the TIF law that allowed a TID more time to pay off project costs. This designation ended September 30, 2015. Distressed TIDs added 10 years to their maximum life.

District type – category based on a minimum percentage of property in a TID. The municipality must declare the TID type in the creation resolution. Municipal TID types include: blighted, rehabilitation or conservation, industrial, mixed-use, and environmental remediation. The declaration is based on the type of land that makes up 50% of the area in the TID. Town TID types include: agricultural, forestry, manufacturing, and tourism. The declaration is based on the type of land that makes up 75% of the area in the TID.

Environmental pollution – presence or introduction of harmful substances. TIF law includes two meanings:

- **Definition 1:** The contaminating or rendering unclean or impure the air, land or waters, or causing damage or harm to public health, fish, bird, animal or plant life, or harmful for commercial or recreational use (sec. [299.01\(4\)](#), Wis. Stats.)
- **Definition 2:** Substances that if released into the air, land, or waters of the state due to the redevelopment of an existing structure would be harmful to public health or harmful for commercial or recreational use (sec. [66.1105\(20m\)\(a\)1.b.](#), Wis. Stats.)

Environmental Remediation district – a TID with significant environmental pollution. Before creating an Environmental Remediation TID, the municipality must obtain certification of the site investigation report by the Wisconsin Department of Natural Resources. In the report, the municipality must describe the pollution, how it will be cleaned up, costs and a timeframe for the clean-up.

Equalized value – the DOR process of creating a uniform value for all general property in the state. Equalized property value is based on 100% of market value.

Expenditure – the exchange of money for the delivery of goods or services. No TID expenditures may be made before the adoption of the municipal resolution, except for costs directly related to planning the TID. TIF law lists eligible expenditures:

- Capital costs** – such as public works; new buildings or structures; demolition, remodeling, repair or reconstruction of existing buildings; environmental remediation; and the clearing of land
- Financing costs** – including interest paid to bond holders and premiums paid for early redemption of bonds
- Property assembly costs** – meaning a deficit incurred due to the sale or lease of land within a TID for less than its cost to the municipality

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- d. **Professional services** – such as planning, architectural, engineering, accounting, consulting, legal advice and services
- e. **Administrative costs** – for municipal employees' time directly related to creating the TID or time spent implementing the TID project plan
- f. **Relocation costs** – including relocation payments made following condemnation under sec. [32.19](#), Wis. Stats.
- g. **Organizational costs** – related to environmental impact statements and public notices
- h. **Payments** – to a town for property taxes on annexed land included in a TID
- i. **Portion of major infrastructure projects** – inside or outside the TID that will serve the land in the TID (ex: water tower, sewer or water treatment plant)
- j. **Removal or containment of lead contamination** – in buildings or infrastructure that the municipality declares a public health concern
- k. **Developing newly-platted residential areas in a mixed-use TID** – when the residential development meets certain qualifications
- l. **Cash grants** – if a municipality signs a development agreement with cash grants, state law requires the municipality indicate this in the public hearing notice
- m. **Fees to DOR** – to certify or recertify the base and yearly fee to keep a TID active

Expenditure period – the time during the life of the TID when expenses may be incurred to implement the approved projects. The maximum expenditure period for most districts ends five years before the unextended maximum life of the TID. Environmental Remediation TIDs created before November 29, 2017, have a 15-year expenditure period. Town TIDs created under sec. 60.85, Wis. Stats., have a 5-year expenditure period.

TID Expenditure Period	
TID Type	Maximum Expenditure Period
Any before October 1, 1995	22 years
Blight or Rehabilitation/Conservation after October 1, 1995	22 years
Industrial after October 1, 1995 but before October 1, 2004	18 years
Industrial or mixed-use on or after October 1, 2004	15 years
Environmental Remediation before November 29, 2017	15 years
Environmental Remediation on or after November 29, 2017	22 years
Town TIDs created under sec. 60.85, Wis. Stats.	5 years

Extension – requesting extra time for the TID. This extends the TID maximum life. Review [TID Extensions](#) for details on obtaining an extension.

Three extension types:

1. **Affordable housing extension** – an extension of up to 12 months from the resolution date. Then the final increment must be used to improve housing. The municipality must use 75% of the increment to improve affordable housing. The municipality must adopt a resolution describing how funds will be used and email a copy of the resolution to DOR.
2. **Standard extension** – a non-specific statutory extension to a TID's maximum life when the municipality needs more time to pay project costs. The length of the extension depends on the type of district (review [TID Criteria Matrix](#) for details). The JRB must approve this extension and the municipality must email a copy of the approval to DOR.

3. **Technical college extension** – a three-year extension to the TID maximum life when the TID's increment was negatively impacted by [2013 Wisconsin Act 145](#). The JRB must approve this extension and the municipality must email a copy of the approval to DOR.

Increment – see [Tax increment](#) or [Value increment](#)

Industrial district – TID with more than 50% of land suitable for industrial sites. Any real property within an industrial type TID that is zoned for industrial use must remain zoned for industrial use for the life of the TID.

Ineligible project costs – expenses that may not be paid for with the tax increment revenue. TIF law identifies the following ineligible project costs:

- Constructing or expanding administrative, police and fire buildings, libraries, schools, recreation and community buildings
- Constructing any building or facility if the municipality generally finances similar facilities only with utility user fees
- General government operating expenses unrelated to the planning or implementation of the project plan
- Cash grants made by the municipality to owners, lessees, or developers of land within the TID, unless the recipient has signed a development agreement with the municipality.

Joint Review Board (JRB) – a committee with members representing the overlying taxing jurisdictions responsible for approving or denying the creation or amendment of a TID. When creating a TID the municipality must create a standing JRB to vote on all TID actions and review the TID Annual Report. The standing JRB must continue until all the TIDs within the municipality terminate. Review [Joint Review Board](#) for more information.

Lands proposed for newly platted residential use – state law does not define the phrase "lands proposed for newly platted residential use." A "plat" is a map of a subdivision. "Newly platted" refers to land that has not been previously subdivided or is currently subject to a replat as defined in sec. [236.02\(11\)](#), Wis. Stats. The word "residential" commonly means relating to a place where people live. When reviewing a project plan, DOR considers the current use, or zoning, and the future use, or zoning, as indicators of whether an area consists of "lands proposed for newly platted residential use." An example of "lands proposed for newly platted residential use" would be subdividing a farm field for housing. Under state law, increment revenue may only be spent on newly platted residential development in a mixed-use TID if the TID includes less than 35% of lands proposed for newly platted residential use and if one of the following applies:

- Density of the residential housing is at least three units per acre
- Residential housing is located in a conservation subdivision, as defined in sec. [66.1027\(1\)\(a\)](#), Wis. Stats.
- Residential housing is located in a traditional neighborhood development, as defined in sec. [66.1027\(1\)\(c\)](#), Wis. Stats.

Local legislative body – municipal governing body responsible for administering local government (ex: the village/town board, city council or common council). This body must adopt a resolution to create, amend, or terminate a TID; or extend the TID's life for affordable housing.

Mixed-use district – TID with a combination of residential, commercial, and industrial uses. Mixed-use TIDs can only include lands proposed for newly platted residential use if they do not exceed 35%, by area, of the real property in the TID and the residential development meets other qualifications.

Multijurisdictional district – TID created by two or more cities that have entered into an intergovernmental cooperation agreement under sec. [66.0301](#), Wis. Stats., which addresses the provisions required by sec. [66.1105\(18\)\(b\)](#), Wis. Stats.

Municipality – a city, village or town.

Non-project costs – project expenses that are not eligible for TIF increment funds or that are paid for with other types of revenue, such as grants or user fees. Any non-project costs in the TID must be detailed in the project plan.

Overlap – when the boundary of one TID covers another existing TID's boundaries.

Overlying taxing jurisdiction – school districts, county governments, technical college districts and other special districts (ex: sanitary districts, sewer districts or lake rehabilitation districts). The tax increment generated by the levies of each of these jurisdictions is collected by the municipality that manages the TID to pay the approved project costs. A representative from the county, municipality, school and technical college districts serves on the JRB.

Planning Commission – a committee that creates and adopts a master plan for physical development of the municipality as specified in sec. [62.23](#), Wis. Stats. If a municipality does not have a Planning Commission, a board of public land commissioners or the planning committee may serve this role. Steps assigned to the Planning Commission under TIF law may be carried out by the Redevelopment or Community Development Authority of the municipality.

Project costs – any expenditure planned or made that can be paid for with tax increment revenue. DOR does not make decisions on the eligibility of specific project costs. Each municipality must consult with its legal and accounting advisors to decide whether a project or specific cost is eligible under TIF law.

Project plan – a document explaining the financial details and development plans for the TID.

Public hearing – the presentation of the TID project plan before the Planning Commission where the community may voice its opinion on the TID. As part of creating or amending a TID, the Planning Commission must hold a public hearing and make copies of the project plan available.

Rehabilitation or conservation work – to restore, preserve or repair. Defined for the purposes of TIF law in sec. [66.1337](#), Wis. Stats., rehabilitation and conservation includes any of the following (these descriptions do not override the restrictions on project costs defined above):

- Operating a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements
- Acquisition of real property and demolition; removal or rehabilitation of buildings and improvements on the property to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate uses detrimental to the public welfare, remove or prevent the spread of blight or deterioration, or provide land for needed public facilities
- Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for the objectives of an urban renewal project
- The disposition of any property acquired in the project area for uses meeting the objectives of the urban renewal project

Severely distressed TID – designation in the TIF law that allowed a TID more time to pay off project costs. This designation ended September 30, 2015. Severely Distressed TIDs were allowed a maximum life of 40 years from the creation date.

Substantial compliance – when the essential (substantial) requirements of the statutes are met even though the formal requirements were not. When creating or amending a TID, if the municipality does not meet certain requirements, the municipality may submit a written request asking DOR to find substantial compliance. This means that despite certain errors, a TID may be created because the error did not affect the fairness of the process or the public's ability to participate in the process. This process allows DOR more flexibility when approving TIDs.

Tax base – the total of all equalized real property in an entire municipality or taxing jurisdiction on which property taxes are levied.

Tax increment – the taxes levied by all overlying taxing jurisdictions on the value between the base value and the current value of the TID. The municipality that manages the TID uses these taxes to pay for the approved project costs. Review the [TID Creation Timeframes](#) for information on when increments begin for a new creation. Review [TID Termination Timeframes](#) for information on when increments end for a termination.

Termination – the process of ending a TID. This process includes adopting a resolution, notifying DOR, completing the final audit and filing the appropriate documents with DOR. After the tax increments collected exceed project costs or the TID reaches its maximum life, it must terminate. If the municipality terminates a TID and there is remaining debt then it becomes the municipality's responsibility. Review [TID Termination](#) and [TID Termination Timeframes](#) for more information.

Valuation date – January 1 of the year the TID is created or amended. The date the municipality adopts the creation or amendment resolution determines the valuation/creation year. Review the [TID Creation Timeframes](#) to determine the creation year.

Value increment – the difference in value between the base value and the current value of the TID. This is the amount of property value that can be attributed to the TIF investment used to generate the tax increment that pays for the investment.

Value limit – the maximum TID value allowed in a municipality. A municipality must be under the limit to create or add parcels to a TID. For a municipal TID, the value of taxable property in the new TID plus the value increment of existing TIDs divided by the total municipal equalized value cannot exceed 12%. Town TIDs created under sec. 60.85, Wis. Stats., have a 5% or 7% limit. For more information review [TIF – Value Limit Common Questions](#).

VII. Resources/Contact Information

For more Tax Incremental Financing (TIF) information:

- Visit the [TIF](#) website
- Email – tif@wisconsin.gov
- Phone – (608) 266-7750, press 3 for Tax Incremental Finance
- DOR [Twitter](#)
- DOR [YouTube](#) – Governments playlist

Economic Development Investment Policy

City of Wauwatosa, Wisconsin

December, 2024

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City of Wauwatosa Economic Development Investment Policy

The following policy shall inform all economic development investment programs of, and related decisions made by, the City of Wauwatosa (the “City”), and is to be implemented in a manner consistent with the Wisconsin Statutes.

In this policy, the term "project" means a property for which City economic development investment is requested or provided.

A. POLICY CONSIDERATIONS

1. The City recognizes that creating good-paying jobs, encouraging economic development, removing barriers to investment, providing a diverse housing stock and improving value density are desirable public purposes which benefit the entire community. Projects for which City economic development investment is requested will take the following into consideration:
 - a. The likelihood that the project will expand and improve the City’s tax base.
 - b. The project’s likely benefit to the community from all perspectives, including created or retained jobs, elimination of blight, environmental sensitivity, promotion of equity and inclusion programs etc.
 - c. The project’s ability to address a need identified in the City’s most recent Housing Study.
2. Wauwatosa is a mature and built-out community. Often the ability to promote additional economic development requires removing barriers to private investment such as contaminated soil and outdated infrastructure and utilities. Urban densities often result in additional costs for such items as structured parking, relocation of existing uses, and transportation alternatives. The City recognizes that to maintain competitive growth, it might need to reduce such costs by providing financial assistance.
3. Because it is not possible to anticipate every project’s needs and requirements or the community’s ever-changing needs, and because it is necessary to retain the flexibility to respond to all proposed projects, the City reserves the right to approve projects and economic development investment which may vary from the principles and criteria stated in this policy. Specifically, it is important to recognize that the size and impact of individual development proposals may have a significant effect on the determinations made pursuant to this policy.

B. MANDATORY CRITERIA

All persons who request economic development investment must demonstrate, to the City’s satisfaction, that their proposed projects will meet the following standards:

1. Financial Needs Test. A substantial likelihood that the proposed project will not go forward without the financial assistance.
2. Economic Feasibility. The project has adequate financing and will be completed in a timely fashion.
3. Minimum City Benefits Threshold. The project is likely to generate the minimum benefits needed for City staff to recommend the project for approval to the City’s Community Development Authority (“CDA”) and Common Council.

4. Compliance with City Plans. The project will comply with the City's Comprehensive Plan and any other City plans (e.g., Village Plan) for the area in which the project is located.
5. Compliance with Applicable Federal, State, and Local Laws. Such laws include, but are not limited to, tax codes, Chapter 66 of the Wisconsin Statutes, and City ordinances.

C. PROJECT EVALUATION CRITERIA

The project review and evaluation criteria are:

1. Tax Base
 - a. Increase in Tax Base: The net increase in property taxes estimated to be generated by the project in its first full year of operation and its projected life.
 - b. Density and Development Value: The density and development value per acre compared with the value of the existing land use.
2. Land Use
 - a. Compliance with Comprehensive or Other Plans. Whether, apart from any needed services to the community described in Section 5 below, the project is more compatible with the City's comprehensive plan than other permitted uses for the property. For example, the project may involve a "clean" industry (such as a technology or service business), which is preferred over other permitted uses.
 - b. Marginal Property. Whether the project is located on property which needs redevelopment, but is not likely to be developed or redeveloped because of blight or other adverse conditions. For example, property may be so blighted that the cost of making land ready for redevelopment exceeds the property's fair market value.
 - c. Design and Other Amenities. Whether, as a result of the financial incentive, the project will include design or amenity features not required by law. For example, the City may request that the project include landscaping, open spaces, public trails, or sustainability enhancements which serve a public purpose.
3. Jobs and Wages
 - a. New Jobs. The minimum net number of direct full-time equivalent jobs to be created or retained by the project for at least two years from the estimated benefit date.
 - b. Payroll. The minimum annual net payroll (including employer contributions for health benefits) to be generated by the project at the end of the third anniversary date of the estimated benefit date.
4. Impact on Existing and Future Public Investment
 - a. Impact on Infrastructure Investment. Whether and to what extent the project will (1) use existing public infrastructure or (2) require additional public infrastructure investments in transportation or in water, sewer, storm water, or other utilities.
 - b. Direct Monetary Return on Public Investment. Arrangements to be made for the City to receive a direct monetary return on its investment in the project. For example, the economic development investment may be in the form of an interest-bearing loan or may involve a project-sharing arrangement.

5. Economic Development

- a. Leveraged Funds. The amount of private funds that will be applied towards the project's capital cost as compared with the economic development investment requested.
- b. Spin-Off Development. The monetary amount of non-incentivized development that the project is expected to generate in the surrounding area and the need for and likelihood of such spin-off development.
- c. Growth Potential. Based on the recipient's market studies and plans for expansion, whether and to what extent the project is expected, within five years of completion, to be expanded to produce a net increase of full-time equivalent jobs and of payroll, above the minimum net increase in jobs and payroll described in Section 3 above.

6. Quality of Life

- a. Community Services. Whether the project will provide community services or increase the need for such services. For example, the project may provide health services and retail convenience services such as a nearby grocery store, or require additional social services.
- b. Natural Environment. Whether the project will add to, or detract from, our community's natural environment, which is an integral part of the local economy and our quality of life.

7. Other Factors

- a. Depending on the nature of the project, such other factors as the City may deem relevant in evaluating the project and the economic development investment proposed for it.

D. ECONOMIC DEVELOPMENT INVESTMENT PROGRAMS

More specific policies may be adopted for individual economic development investment programs (e.g., tax increment financing policies.)

City of Wauwatosa Tax Increment Financing Program Policy

A. PURPOSE

Chapter 66 of the Wisconsin Statutes gives municipalities the authority to provide tax increment financing (“TIF”) to encourage desirable private development or redevelopment that would not occur without assistance – so-called “but for” financing.

The purpose of this TIF guideline is to guide the City's processing and review of TIF requests and to maximize TIF benefits for all affected taxing jurisdictions (the City, Wauwatosa School District, Milwaukee Area Technical College, Milwaukee Metropolitan Sewerage District, Milwaukee County, and State of Wisconsin). The City's intent is to minimize its risk from, and amount of economic development investment to, a project and to leverage its public dollars to maximize private sector funding.

The City will approve or reject TIF requests on a case-by-case basis, taking into consideration established policies, project criteria, and the project's demonstrated public purpose. Meeting all policy criteria will not guarantee approval of the requested financial assistance. The City reserves its right to approve or deny any request at its sole discretion.

B. PUBLIC PURPOSE OBJECTIVES

The City will consider TIF assistance for projects which demonstrate the likelihood of achieving one or more public purpose objectives. Preference shall be given to those which meet several of the following objectives:

1. Enhancing or diversifying the City's economic base and value density.
2. Encouraging redevelopment of under-utilized properties.
3. Retaining local jobs or increasing the number and diversity of jobs that offer stable employment and attractive wages and benefits.
4. Encouraging additional unsubsidized private (re)development.
5. Removing blight or encouraging (re)development of commercial and industrial areas.
6. Providing housing opportunities that meet a need identified in the City's most recent Housing Study.
7. Protecting and revitalizing neighborhood character by removing blight in, or adjacent to, residential areas.
8. Positively affecting current and future infrastructure development, including transportation, storm water, sanitary sewer, and water utilities.
9. Improve equity and inclusion within the City of Wauwatosa.
10. Accomplishing other public policy objectives, such as energy conservation, the promotion of quality urban or architectural design, or decreasing capital or operating costs of local government, or any of the following:
 - Using architectural and landscaping techniques that will enable the project's components to blend with the natural environment.
 - Mitigating project impact on the natural environment.
 - Utilizing other sustainability standards.

11. Implementing objectives in the City’s comprehensive plan or other plans adopted by the Common Council.
12. The size and impact of individual development proposals may have a significant effect on the determinations made pursuant to this policy.

C. POLICY POSITIONS

1. If the City provides TIF assistance, it will do so primarily through developer-financed methods, to minimize the risk of public participation whenever possible. This is particularly important in situations involving single-site Tax Increment Districts.
2. The City will consider TIF requests for up-front project financing through the sale of bonds or other internal sources on a case-by-case basis, will limit TIF to the highest priority projects, and will require specific and measurable interim milestones prior to disbursement of funds.
3. The City will consider TIF requests only after determining that other possible sources will not generate economic development investment sufficient to complete the project.
4. Except in extraordinary circumstances, the City will not provide economic development investment for projects unless the developer invests a minimum of 20% in the project’s equity.
5. The City will consider TIF only for projects with a demonstrated market demand.
6. The City will not use TIF to promote development which would negatively affect any other underlying taxing jurisdiction without that jurisdiction’s approval.
7. The City will not provide TIF assistance where it would create an unfair competitive advantage for the assisted project when compared to other projects developed within the City.
8. The City will not provide TIF assistance to developers that cannot adequately demonstrate an ability to complete the proposed project on time and on budget.
9. All TIF assistance shall include a “look back” provision to verify cost estimates and returns. (In other words, where actual costs are below original estimates, the City will share in the savings, and where the rate of return significantly exceeds initial projections, it will reduce the amount of assistance provided.)
10. The City will only provide TIF assistance for tax-exempt uses where those uses are subject to payments in lieu of taxes (known as “PILOTs”).

D. PROJECT REQUIREMENTS

1. All developers requesting TIF assistance must demonstrate that:
2. The project is not financially feasible without the use of the requested TIF.
3. The TIF request complies with the Wisconsin Statutes.

4. The project is consistent with the City's comprehensive plan, land use plan(s), strategic plan, and zoning ordinance.
5. The project meets the city's procurement inclusion policy for economic development projects that are receiving Tax Increment Financing greater than \$500,000. The policy requires 25% of contracting for professional and construction services be with Disadvantaged Business Enterprises (DBEs). In addition, 25% of construction employees hired for the project must be hired from economically distressed Milwaukee County zip codes. This will be verified by an independent consultant paid for through the Tax Increment District.
6. Submit an Initial Enrollment/Application using Focus on Energy's Energy Design Assistance (EDA) Express Online Tool. The Express EDA Online Tool is a self-directed whole building energy analysis and allows applicants to enroll in the program with basic project information and evaluate three preliminary bundle and incentive options in a streamlined manner. Results will be shared with the City. Applicants should be prepared to provide as much of the following information as possible: Number of units, number of stories, gross square footage, lighting, and types of mechanical systems (heating & cooling). New Construction Energy Design Assistance Program: <https://www.focusonenergy.com/business/new-construction>

E. APPLICATION AND APPROVAL PROCESS

1. A developer will commence the process by submitting an Economic Development investment Application (Exhibit A) to the City's Development Department.
2. The City staff will submit results of the Application Review Worksheet to the City's Development Team for review.
3. The Development Team will review the proposal, provide comments, and make a timely advisory recommendation to the Common Council for approval or denial of the request following the developer's submission of a complete application.
4. If advisory approval is recommended, the City staff will prepare all necessary notices, resolutions, and certificates.
5. The CDA will hold public hearing(s) on the proposed project to consider the advisory recommendation(s).
6. The Common Council will approve or deny the request for financing.



Wauwatosa, WI

Staff Report

File #: 26-0052

Agenda Date: 5/12/2026

Agenda #: 4.

Consideration of amendment to the 2026 budget to reflect 2025 capital project carryovers

Submitted by:

John Ruggini and Thania Cervantes

Department:

Finance Department

A. Issue

Earlier this year, the 2025 Operating Carryovers were approved. Presented here for approval are the capital project carryovers

B. Background/Options

A carryover is a budgetary mechanism by which spending authority is transferred from one fiscal year to the next. This is most often necessary where a project budgeted for in one fiscal year (2025) is not completed so that remaining committed but unspent funds associated with the project are transferred to the following fiscal year (2026). While the City adopts a five-year capital plan, only the first year of the plan is actually authorized. In this case, the 2025-2029 plan was adopted in November 2024 and the 2026-2030 plan was adopted in November 2025. We are now requesting the 2026 fiscal year of the 2026-2030 plan be amended for the unspent 2024 funds.

Capital projects are typically complex infrastructure projects (such as street and utility construction) or large equipment purchases (such as a Fire engine) that often span multiple fiscal years so carryover funds are not uncommon. The Capital Budget is adopted separate from the Operating budget but once approved, they are combined in the City’s financial system so spending can be tracked. Capital projects have multiple funding sources including property taxes, special assessments, grants, surplus funds (cash) and bonds (borrowed money). The majority of capital carryovers typically represent bond funds that have been borrowed but not yet spent. Of the \$22.7 million requested for carryover, 74% are bond funds. These borrowed funds legally must be spent on capital projects within two years of having been borrowed. Staff actively monitor these timeliness requirements.

I am requesting that \$22,683,209 be carried over as compared to the \$19,582,958 in the prior year for previously approved capital projects. The table below organizes the carryovers by justification:

Row Labels	Sum of Amount Recommended
Project in progress	13,088,352
Future year construction	4,698,491
Annual budget rolled over	1,311,988
Project delayed	1,287,683

Punch list items	1,125,857
Project surplus - will be transferred	590,697
Work in 2026	580,141
Grand Total	22,683,209

From the perspective of an Alder, it is important to monitor delayed projects and understand the reasons for delays and any impacts on future capital budgets. For example, often future projects are contingent on the completion of a current project. From a staff perspective, we are often juggling limited staffing resources, changes to contingent projects that we don't control (such as the Department of Transportation), scope changes, pricing changes or delays in land acquisition to name a few. The table below shows which projects have been delayed. At the meeting, staff can speak to the reasons for the delays and any potential impacts.

Project #	Delayed Projects	Recommended Carryover
6217	REPLACEMENT OF SAND & GRAVEL STORGE	250,000
6223	EMERGENCY GENERATOR DPW	135,000
6226	AUTOMATED VEHICLE WASH STATION	650,000
6231	DPW FLEET GARAGE FLOOR RESURFACING	197,683
6695	2025 UTILITY VEHICLE REPLACEMENT	55,000

No new projects have been added to be funded by carryover.

A full listing of all the carryovers is included as an attachment. The majority of the projects are funded with bond proceeds which cannot be used for purposes other than capital projects and are often restricted to specific types of projects. The Capital Budgets can be found here (<https://www.wauwatosa.net/government/departments/finance/budget>) if you'd like more detail on a particular project.

C. Strategic Plan (Area of Focus)

This carryover supports the strategic goal of maintaining city infrastructure.

D. Fiscal Impact

As all of these projects were previously budgeted, there is no fiscal impact on the 2026 Budget.

E. Recommendation

I recommend amending the 2026 Budget by increasing capital project expenditure authority up to \$22,683,209 for prior year unspent funds.

Carryover Recommendations By Project

Project	Project #	Decision	Amount Recommended	Justification	Transfers Required
Vehicle Registration		Y	\$ 308,622	Project in progress	
2024 PAVING PROGRAM	1024	Y	\$ 647,407	Project in progress	
1025 PAVING PROGRAM	1025	Y	\$ 5,592,878	Project in progress	
2026 PAVING PROGRAM	1026	Y	\$ 352,856	Future year construction	
BIKE/PEDESTRIAN PLAN IMPLEMENTATION	1104	Y	\$ 10,436	Project in progress	
NORTH AVENUE PAVING-MENOMONEE	1107	Y	\$ 951,360	Project in progress	
MAYFAIR RD & BURLEIGH ST BIKE PED	1115	Y	\$ 274,262	Punch list items	
STH 181 WISCONSIN AVE TO CENTER ST	1121	Y	\$ 539,607	Future year construction	
DOT MAYFAIR RD RESURFACING, SIDEWAL	1122	Y	\$ 159,981	Future year construction	
GLENVIEW STH181 RESURFACING	1126	Y	\$ 27,842	Future year construction	
NORTH AVE FROM 73RD TO 95TH	1127	Y	\$ 471,498	Future year construction	
2024 PAVEMENT REPAIRS AND SPOT IMPR	1624	Y	\$ 189,057	Annual budget rolled over	
2025 PAVEMENT REPAIRS & SPOT IMPROV	1625	Y	\$ 61,550	Annual budget rolled over	
2024 SIDEWALK PROGRAM	2024	Y	\$ 116,288	Punch list items	Roll into 2025 program
2025 SIDEWALK PROGRAM	2025	Y	\$ (20,641)	Punch list items	
2024 BRIDGE SPOT REPAIR	2224	Y	\$ 348,085	Annual budget rolled over	
RECONSTRUCT NORTH AVE BRIDGE OVR ME	2301	Y	\$ 484,849	Future year construction	
TOSA TRAILS - COUNTY GROUNDS PARK C	2302	N	\$ 10,000	Future year construction	
WISCONSIN AVE BRIDGE OVER HONEY CRE	2303	Y	\$ 1,017,251	Project in progress	
TOSA TRAILS-112TH ST CONNECTOR	2305	N	\$ 28,731	Punch list items	
SWAN BLVD BRIDGE MAINTENANCE	2307	Y	\$ 515,194	Project surplus - will be transferred	Transfer to 2224
TOSA TRAILS - WISCONSIN AVE CONNECT	2309	Y	\$ 148,409	Future year construction	
CONSTRUCT FIBER OPTIC CONNECTIONS	2402	Y	\$ 695,381	Project in progress	
STREET LIGHT CONVERSION	2403	Y	\$ 230,621	Project in progress	
STREET LIGHTING CABINET REPLACEMENT	2404	Y	\$ 61,407	Project in progress	
SIGNALIZED INTERSECTION IMPROV	2624	Y	\$ 5,519	Annual budget rolled over	
2025 SIGNALIZED INTERSECTION IMPROV	2625	Y	\$ 12,274	Annual budget rolled over	
POTTER RD WATER MAIN RELAY	5022	Y	\$ 31,201	Punch list items	
REMODEL OF CITY HALL, LIBR, CIVIC C	6024	Y	\$ 499,070	Future year construction	
TRANSFER STATION/DEMO INCINERATOR	6216	N	\$ (8,991)		
REPLACEMENT OF SAND & GRAVEL STORGE	6217	Y	\$ 250,000	Project delayed	
EMERGENCY GENERATOR DPW	6223	Y	\$ 135,000	Project delayed	Funds maybe repurposed
AUTOMATED VEHICLE WASH STATION	6226	Y	\$ 650,000	Project delayed	
JOHN DEERE 624 WHEEL LOADER	6229	N	\$ 30		
DPW UPPER ROOF EDGE REWORK	6230	Y	\$ 160,000	Work in 2026	

Carryover Recommendations By Project

Project	Project #	Decision	Amount Recommended	Justification	Transfers Required
DPW FLEET GARAGE FLOOR RESURFACING	6231	Y	\$ 197,683	Project delayed	
RESIDENTIAL DROP OFF CENTER EFF	6232	Y	\$ 40,000	Work in 2026	
VARIABLE AIR VOLUME UPGRADE	6413	Y	\$ 7,837	Project surplus - will be transferred	
SELF CONTAINED BREATHING APPARATUS	6608	Y	\$ 19,460	Project surplus - will be transferred	
FIRE STATION 52 RELOCATION	6625	Y	\$ 10,000	Work in 2026	
FIRE STATION 53 CONCRETE PAVEMENT	6626	Y	\$ 32,500	Work in 2026	
2023 REPLACEMENT OF FIRE ENGINE/LAD	6673	Y	\$ 22,944	Project surplus - will be transferred	
REPLACEMENT STAFF AUTOMOBILE	6685	Y	\$ 2,578	Project surplus - will be transferred	
2025 UTILITY VEHICLE REPLACEMENT	6695	Y	\$ 55,000	Project delayed	
ALL FACILITIES HVAC UPGRADE	6800	Y	\$ 106,717	Annual budget rolled over	
BUILDING CONTROLS UPDATES	6801	Y	\$ 55,842	Annual budget rolled over	
HART PARK STADIUM TRACK REPLACEMENT	8015	Y	\$ 5,827	Project surplus - will be transferred	
HART PARK IMPROVEMENTS - SIGNAGE	8018	Y	\$ 16,857	Project surplus - will be transferred	
REMODEL MUELLNER BUILDING	8036	Y	\$ 204,805	Punch list items	
TENNIS COURT BATHROOM REMODEL	8037	Y	\$ 337,641	Work in 2026	
BUS STOP IMPROVEMENTS	9008	Y	\$ 252,945	Annual budget rolled over	
IMPROVEMENTS AT HART PARK EAST 68TH	8019	N	\$ 1,270,000	Project delayed	
2024 PAVING PROGRAM	1024	Y	\$ 162,108	Project in progress	
1025 PAVING PROGRAM	1025	Y	\$ 272,808	Project in progress	
2026 PAVING PROGRAM	1026	Y	\$ 65,347	Future year construction	
NORTH AVENUE PAVING-MENOMONEE	1107	Y	\$ 254,401	Project in progress	
STH 181 WISCONSIN AVE TO CENTER ST	1121	Y	\$ 221,115	Future year construction	
NORTH AVE FROM 73RD TO 95TH	1127	Y	\$ 343,031	Future year construction	
RECONSTRUCT NORTH AVE BRIDGE OVR ME	2301	Y	\$ 7,852	Future year construction	
WISCONSIN AVE BRIDGE OVER HONEY CRE	2303	Y	\$ 57,945	Project in progress	
TOSA EAST UTIL IMPROVE & FLOOD REL	3005	Y	\$ 548,766	Future year construction	
SAN LINING INDEPENDENT OF PAVING	3100	Y	\$ 280,000	Annual budget rolled over	
70TH ST STORM SEWER	4101	Y	\$ 40,000	Project in progress	Need to transfer funds to 1025
POTTER RD WATER MAIN RELAY	5022	Y	\$ 275,375	Punch list items	
2024 PAVING PROGRAM	1024	Y	\$ 86,227	Project in progress	
1025 PAVING PROGRAM	1025	Y	\$ 2,140,718	Project in progress	
2026 PAVING PROGRAM	1026	Y	\$ 7,921	Future year construction	
NORTH AVENUE PAVING-MENOMONEE	1107	Y	\$ 66,339	Project in progress	
STH 181 WISCONSIN AVE TO CENTER ST	1121	Y	\$ 69,549	Future year construction	
NORTH AVE FROM 73RD TO 95TH	1127	Y	\$ 189,246	Future year construction	
RECONSTRUCT NORTH AVE BRIDGE OVR ME	2301	Y	\$ 14,443	Future year construction	
WISCONSIN AVE BRIDGE OVER HONEY CRE	2303	Y	\$ 442,358	Project in progress	


Carryover Recommendations By Project


Project	Project #	Decision	Amount Recommended	Justification	Transfers Required
TOSA EAST UTIL IMPROVE & FLOOD REL	3005	Y	\$ 547,110	Future year construction	
70TH ST STORM SEWER	4101	Y	\$ 50,086	Project in progress	Need to transfer funds to 1025
POTTER RD WATER MAIN RELAY	5022	Y	\$ 244,568	Punch list items	


Year End Fund Balances and Benchmarks





Fund Balance Scorecard

Icon




 when value is

 when < 0.95 and




 when < 0.8

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
and Working Capital Reserve	\$ 1,784,008	\$ 15,140,269	60 days expenses (subsequent year budget)	71.46	117%	\$ 2,251,575	
General Fund - Amortization Fund	NA	\$ 9,161,125	125% of Levy Funded Principal and Interest	107%	85%	\$ (1,554,084)	
General Fund - Contingency Reserve	NA	\$ 333,767	.5% of expenses (subsequent year budget)	0.43%	86%	\$ (52,894)	
General Fund - Capital Improvements	NA	\$ 1,202,572	N/A		N/A	N/A	
General Fund - Plant Beds/ Medians	NA	\$ 15,914	N/A		N/A	N/A	
General Fund - Recycling Stabilization	NA	\$ 413,483	Current Year Estimated Total Annual Commodity Value X 2		84%	\$ (81,517)	
Debt Service	\$ (247,528)	\$ 1,873,696	N/A		N/A	N/A	
Capital Projects - Working Capital	\$ 3,795,610	\$ 8,288,615	20% above 3 year average of max monthly cash deficit	34%	170%	\$ 2,101,942	
CDBG Program	\$ (10,206)	\$ (17,096)	N/A		N/A	N/A	
Revolving Fund	\$ 47,739	\$ 254,966					
Agency Fund	\$ (238)	\$ 712,315			N/A	N/A	
Firefighters Endowment	\$ 332	\$ 10,743			N/A	N/A	
Dick Bachman Flag Fund	\$ -	\$ 1,661			N/A	N/A	
Land Conservation Fund	\$ -	\$ 187,770			N/A	N/A	
Automated License Plate Reader	\$ 4,200	\$ 35,051			N/A	N/A	
Hart Park Senior Center	\$ (9,971)	\$ 82,765			N/A	N/A	
Cemetery Trust	\$ 11,500	\$ 48,988			N/A	N/A	
Library Trust	\$ 1,512	\$ 344,066			N/A	N/A	
Health/Life	\$ (204,207)	\$ 7,132,708	claims expense + sick time payout liability	91%	133%	\$ 1,779,671	

Year End Fund Balances and Benchmarks

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
Dental Reserve	\$ 6,627	\$ 252,551	30% of most recent 3-year average claims expense	107%	403%	\$ 169,150	
General Liability	\$ (2,541,431)	\$ 3,244,578	SIR amount + contingency		TBD	TBD	TBD
Worker Comp	\$ (78,249)	\$ 479,895	1.5 X SIR amount - \$750,000	0.96	74%	\$ (270,105)	
Fleet	\$ (97,323)	\$ 176,319	30% of avg. fuel cost of past 3 years	29%	97%	\$ (4,533)	
Fleet Equipment Reserve	\$ 406,119	\$ 1,175,195	Based on 5-year purchase plan			TBD	
Muni Complex	\$ 179,414	\$ 604,939	TBD - Depends on Munic Complex Plan			TBD	
Information Systems	\$ (112,664)	\$ 1,187,047	TBD - related to cyber security and fiber			TBD	
Information Systems Capital Reserve	\$ 79,915	\$ 1,806,243	Five year Information Systems capital plan			TBD	
Public Works Building	\$ (22,691)	\$ 255,466	TBD - related to maintenance			TBD	
Public Works Building Improvements	\$ (236,265)	\$ 76,862	Five year capital plan			TBD	
Redevelopment Reserve	\$ 9,049	\$ 1,024,104	NA - Designated for TIF closure surplus funds			TBD	
Community Development Authority	\$ (3,762,710)	\$ 1,370,395				TBD	
Affordable Housing	\$ -	\$ 619,023	Affordable Housing long-term plan			NA	
Housing	\$ -	\$ 81,341	Affordable Housing long-term plan			NA	
Revolving Loans	\$ 3,774	\$ 485,256	NA			NA	
Home Repair Loans	\$ -	\$ -	NA			NA	
Encumbrances	\$ (23,236)	\$ 23,236	NA			NA	
Unrestricted	\$ (3,743,248)	\$ 161,539	Available for property aquisition			NA	
Tourism	\$ 65,592	\$ 1,265,445	Fully funded Operating Reserve		100%	\$ -	
Special Assessments	\$ -	\$ -				NA	
Parks	\$ 424,448	\$ 1,571,816	Prefunding of track and turf			TBD	
Library	\$ 3,280	\$ -	Suprlus is transferred to Library Trust				

Year End Fund Balances and Benchmarks

	2025 Surplus/Deficit	2025 Adjusted Balance	Benchmark	2025 Performance	2025% of Benchmark	2025 Over/ (Under) Benchmark	Status
TIF Funds	\$ 2,133,986	\$ 8,589,779	Maintain 1.25 Debt Coverage Ratio and work towards cash financing			TBD	
Hospital Policing	\$ (17,833)	\$ 22,876	TBD			TBD	
Special Grants	\$ (34,027)	\$ 0	Dependent on grant status	NA	NA	NA	
Water	\$ 5,170,821	\$ 9,189,320	funding for next ten years of tank paintings	244	272%	TBD	
Sanitary Reserve	\$ 2,859,514	\$ 18,949,460	financing for East Tosa Sewershed project	553	614%	TBD	
Stormwater	\$ 2,765,608	\$ 5,877,191	financing for East Tosa Sewershed project	306	340%	TBD	

Financial Reserve Policy – City of Wauwatosa

Why a Reserve Policy Is Important

A financial reserve provides protection from risk. The City of Wauwatosa faces risks like revenue shortfalls during recessions and losses from extra-ordinary events, like a pandemic or extreme weather event. Reserves help make sure that the City can respond quickly and decisively to extreme events. Reserves also support vital public services during revenue declines. A reserve policy describes how much we will try to retain in our reserve. It also describes acceptable uses of reserves.

Acceptable Uses of Reserves

Reserves are meant to address unexpected, nonrecurring costs. Reserves should not be used for recurring annual operating costs. An exception is poor economic conditions or events that disrupt the City’s revenues. In such cases, reserves may be used to provide short-term relief so that the City can restructure its operations in an orderly manner.

Replenishment of Reserves

If the City uses its reserves and those reserves are below the allowed minimum, then the Finance Director will propose a plan for the replacement of the reserves. The Financial Affairs Committee will review and approve the plan. The City will try to replace the reserves within the minimum amount of time that is practical.

If the maximum reserve is exceeded during the forecast period, the City may spend the excess reserves on allowable uses. Reserves should be treated as a one-time revenue, as per the City’s policy on one-time revenues.

The City’s finance department will conduct long-range forecasting to determine if City is likely to stay within its range of reserves.

Authority to Use Reserves

The Finance Director may authorize the use of reserves for purposes consistent with this policy.

The Size of the City of Wauwatosa’s Reserve

The City of Wauwatosa will endeavor to hold the following amounts in reserves by fund:

General Fund (10)

The General Fund Reserves include non-spendable, restricted and unrestricted balances. See attachment 1 for definitions of these categories. The unrestricted balances include:

Emergency and Working Capital Reserve (Unassigned)

Minimum	Two months of General Fund expenditures (16.7%) from the current year original adopted budget
Maximum	Three months of General Fund expenditures (20%)

Justification	Recommendation by the Government Finance Officers Association for an appropriate level of reserves for communities with a moderate risk profile. Provides sufficient working capital for year-end when debt service payments are due prior to property tax receipts
Reasons reserves may be used	<ul style="list-style-type: none"> • Response to emergencies (e.g. natural disasters, pandemics, terrorism) • Catastrophic infrastructure damage • Service sustention during a severe fiscal crisis • Short-term revenue bridging (i.e. awaiting property tax receipts in December)
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Capital Expenditures • Extra-ordinary economic development opportunities • Pay-down debt
Source of Funds	<ul style="list-style-type: none"> • Year-end Surplus • Budgeted funds

Contingency Fund (Unassigned)

Minimum	.5% of General Fund Expenditures of the current year original adopted budget
Maximum	Refreshed annually so should never exceed minimum
Justification	Based on prior years' experience and revenue constraints
Reasons reserves may be used	<ul style="list-style-type: none"> • Unplanned departmental budgetary shortfall (but not as an ongoing source of budgetary revenue) due to one-time events (severe winter weather, extra-ordinary public safety event, unanticipated litigation, pandemic, etc.)
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • N/A
Source of Funds	<ul style="list-style-type: none"> • Must be replenished annually from the Emergency Reserve as of January 1.

Amortization Fund – Debt Coverage (Unassigned)

Minimum	125% of annual levy funded principal and interest payments (subsequent year budget) excluding short-term and refunding borrowings
Maximum	135%
Justification	Maintenance of Aaa bond rating is secured, in part, by this reserve as payment of debt service is pledged. Reserve secures repayment.
Reasons reserves may be used	<ul style="list-style-type: none"> • Extra-ordinary catastrophe causing an extreme cash flow shortage preventing debt service payments
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Cash-financing to avoid borrowing • Reducing outstanding debt • Smoothing mark-to-market fluctuations

	<i>Use of excess reserve requires approval of Public Debt Commission</i>
Source of Funds	<ul style="list-style-type: none"> • Surplus interest earnings • Bond premium

Capital Improvements - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	Source of additional funding for cash financing capital projects
Reasons reserves may be used	<ul style="list-style-type: none"> • Cash financing capital projects that would otherwise require borrowing
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Cash-financing to avoid borrowing
Source of Funds	<ul style="list-style-type: none"> • Sale of public land owned by the City • Other one-time revenues designated by the Common Council

Welcome to Wauwatosa Plant Beds/Medians - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	Donated funds with expressed purpose for the “care and maintenance of the Welcome to Wauwatosa Sign plant beds and the plant beds in the medians.
Reasons reserves may be used	See above
Acceptable Use of Excess Reserves	N/A
Source of Funds	Donated from the dissolved “Beautification Committee” in 2019.

Recycling Stabilization - (Assigned)

Minimum	None
Maximum	Current Year Estimated Total Annual Commodity Value X 2
Justification	The City receives revenue based on the market value of its recyclables. This market is subject to significant volatility, which can cause stress on the Solid Waste budget as this function depends on this revenue to offset the cost of the program. This reserve will smooth out year-to-year fluctuations, which in the past have been significant and unpredictable.
Reasons reserves may be used	<ul style="list-style-type: none"> • Actual or anticipated decrease in recycling revenues that would cause a budgetary shortfall requiring the City to budget additional levy for the solid waste function • Year-end shortfall in recycling revenue compared to budget contributing to a general fund deficit. This is generally not

	realized as a revenue loss, rather a deficit in the expense budgeted to pay the recycling vendor.
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> One-time expenditures related to the solid waste function
Source of Funds	<ul style="list-style-type: none"> Surplus recycling revenue

Non-lapsing Funds - (Assigned)

Minimum	N/A
Maximum	N/A
Justification	The City designates certain accounts as “non-lapsing” as part of the annual budget resolution so that any year-end balance automatically carries over. The Senior Commission, Youth Commission and Commission for Persons with Disabilities are all examples of non-lapsing accounts as well as funds donated for specific purposes, such as for the Police K-9 unit. For a full listing, please see the most recent operating budget resolution.
Reasons reserves may be used	<ul style="list-style-type: none"> Must be used for the assigned function
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> Per Common Council discretion
Source of Funds	<ul style="list-style-type: none"> Year-end surplus in the relevant accounts

Reserve for Subsequent Year Expenditures - (Assigned)

Any funds carried over from the prior year must be reserved as assigned fund balance in the year from which they are carried over. For example, funds carried over from 2022 to 2023 will be held in reserve as subsequent year expenditures in the 2022 Subsequent Year Expenditure Reserve. The 2023 expenditure budget must be amended to reflect the increased expenditure authority with a revenue offset shown as “Appropriated Surplus Applied” to reflect the future use of funds held in reserve. Had these funds not been carried over, they would have otherwise increased the Unassigned Fund Balances. The Finance Department updates this reserve balance manually each year as part of the year-end close process. This reserve will exist in any fund for which there are carry-overs.

Reserve for Encumbrances - (Assigned)

Similar to the Reserve for Subsequent Year Expenditures, any funds encumbered for a purchase order or contract at year-end, will automatically carry-over into the subsequent year and be reserved as assigned fund balance in the year from which they are carried over. For example, purchase order and contract balances carried over from 2022 to 2023 will be held in reserve in the 2022 Reserve for Encumbrances. The 2023 expenditure budget must be amended to reflect the increased expenditure authority with a revenue offset shown as “Appropriated Surplus Applied” to reflect the future use of funds held in reserve. This reserve will decrease automatically as the funds are spent. This reserve will exist in any fund for which there are year-end encumbrances.

Debt Service Fund (11)

The Debt Service Fund is used to pay all non-utility principal and interest debt payments as well as debt issuance expenses. Special revenue funds, such as Tax Incremental Districts, transfer funds to this fund for the debt service owed. The Debt Service Fund includes a non-spendable balance for a loan provided to the Milwaukee Area Domestic Animal Control Commission that will be paid off in 2036. The designated fund balance includes bond premium that is held to be used for subsequent year’s interest payments. No additional fund balance may accumulate, per state statute.

Capital Projects Fund (12)

The Capital Projects Fund is used for expenses and revenues related to constructing, improving or acquiring a non-utility asset. Examples includes roads, bridges, fire apparatus and public building renovations. Unspent bond proceeds are held in reserve and considered restricted.

Public Works Building and Yard Improvements (Assigned)

Minimum	NA
Maximum	NA
Justification	This balance was created with funds received by the Department of Transportation for temporary easements necessary for the Zoo interchange reconstruction.
Reasons reserves may be used	<ul style="list-style-type: none"> • Improvements to the Public Works yard and buildings
Acceptable Use of Excess Reserves	NA
Source of Funds	<ul style="list-style-type: none"> • One time revenues associated with the Public Works complex

Capital Projects Cash Flow Reserve (Restricted)

Minimum	10% greater than 3 year average of maximum monthly cash deficit
Maximum	30 % greater than 3 year average of maximum monthly cash deficit
Justification	The capital projects fund often expends funds prior to receiving revenues such as bond proceeds and grants so it is necessary to maintain a working capital reserve for cash flow.
Reasons reserves may be used	<ul style="list-style-type: none"> • To cover cash flow shortages for the fund
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Cash finance capital improvements
Source of Funds	<ul style="list-style-type: none"> • Capital project surplus

Community Development Block Grant Fund (13)

The Community Development Block Grant (CDBG) Fund is used expending funds received from the Federal Government's Department of Housing and Urban Development's block grant program. The majority of the funds are provided to third party entities known as sub-recipients. As expenses are paid on a reimbursement basis, any fund balance, is the result of timing delays in receiving those reimbursements and is restricted for already incurred expenses for program activities.

Revolving Fund (14)

Certain funds that are donated or provided to the City for specific purposes are maintained in the Revolving Fund. The fund is known as a "revolving" fund because funds deposited in this fund automatically become available to be spent for the designated fund. Programs included in this fund are:

Police Department Forfeiture funds. Funds the City receives from the state and federal government when assets are seized as part of criminal activity.

Fire Department EMT Grant. Funds received by the Fire Department from the State of Wisconsin for Emergency Medical Technician expenses.

Fire Department Training Tower. Other Fire Departments pay an annual subscription fee to use Wauwatosa's Training tower. Funds are used to maintain the tower.

Fire Department Donations. Donations made from the public specifically to the Fire Department

Fire Department Equipment Reserve. Proceeds from the sale of fire vehicles are deposited here and then used to offset the cost of outfitting new vehicles.

Agency Fund (15)

The City is the fiscal fiduciary over several different programs. As these funds are not technically governed by the Common Council, they are held in "Agency" in this fund. By definition, any fund balance is restricted to the purpose for which the funds were received. The current programs held in agency include:

- **Wauwatosa Firefighters Union Scholarship Endowment.** The City holds funds donated on behalf of the Fire Union which are then awarded by the Union for scholarships.
- **Dick Bachman Flag Fund.** In the past the local civic organization such as the Rotary Club, collected funds to maintain the flags on North Avenue.
- **Land Conservation Fund.** The City established a "Big Box" ordinance that requires new large retail stores to contribute to a fund that can be used to maintain or demolish any vacant big box properties.
- **Automated License Plater Reader.** The City is the fiscal agent for a coalition of police departments that share license plate data from their automated license plate readers.
- **Hart Park Senior Center.** Funds raised by the Senior Center members to be used for improving the Senior Center building and equipment.
- **Cemetery Trust Fund.** Funds required to be set aside by the Cemetery for the perpetual grounds of the Cemetery and not yet invested.

- **Library Trust.** Funds donated to the Library or earned from operating budget surplus that are governed by the Library Board.

Health/Life Insurance Fund (16)

The Health/Life Insurance Fund pays for all health and life insurance expenses. Direct program revenues are deposited in this account as well as the fees charged to departments with employees who are enrolled in these programs. As an internal service fund, the fund is designed to cover all of its costs.

Minimum	30% of most recent 3 years of actual claims costs plus the actuarially determined value of the sick leave payout liability
Maximum	No maximum so long as the City has an unfunded retiree health insurance liability.
Justification	Largest and most volatile expense is health insurance claims. Largest percent change since 2002 was a 27% spike in 2002.
Reasons reserves may be used	<ul style="list-style-type: none"> • To cover one-time spikes in health insurance claims costs, including stop loss insurance.
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Replace or expand City workout equipment • Issue one-time dividends to departments and/or employees • One-time Wellness or Health Insurance program expenses • One-time expenses to reduce City’s retiree health insurance liability. • Contributions to a trust to pay for the City’s retiree health liability.
Source of Funds	<ul style="list-style-type: none"> • Year-end surplus in the Health/Life Insurance Fund

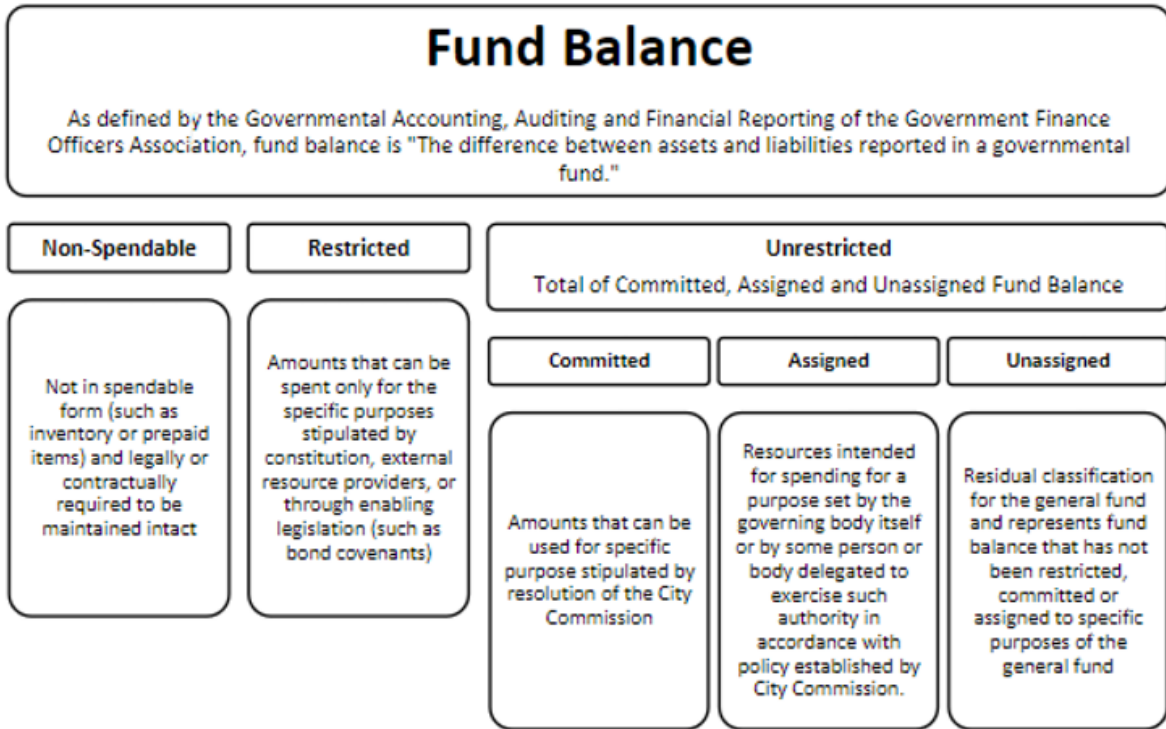
Dental Insurance Fund (17)

The Dental Insurance Fund pays for all dental insurance expenses. Direct program revenues are deposited in this account as well as the fees charged to departments with employees who are enrolled in these programs. As an internal service fund, the fund is designed to cover all of its costs.

Minimum	30% of most recent 3 years of actual claims costs
Maximum	No maximum so long as the City has an unfunded retiree health insurance liability.
Justification	Largest and most volatile expense is dental claims. Largest percent change since 2002 was a 21% spike.
Reasons reserves may be used	<ul style="list-style-type: none"> • To cover one-time spikes in dental insurance claims costs
Acceptable Use of Excess Reserves	<ul style="list-style-type: none"> • Issue one-time dividends to departments and/or employees • One-time Wellness program expenses

	<ul style="list-style-type: none">• One-time expenses to reduce City’s retiree health insurance liability.• Contributions to a trust to pay for the City’s retiree health liability.
Source of Funds	<ul style="list-style-type: none">• Year-end surplus in the Dental Insurance Fund

Attachment 1



- City Commission refers to the Common Council.



Wauwatosa, WI

Staff Report

File #: 26-0054

Agenda Date: 5/12/2026

Agenda #: 6.

Report from the Finance Department on the 2026 First Quarter General Fund Financial Results

Submitted by:

John Ruggini, Finance Director

Department:

Finance Department

A. Issue

An important component of budget management is monitoring current year expenditures and revenues as compared to budget. In order to facilitate this comparison, the Finance Department produces a quarterly projection of year-end General Fund revenues and expenditure surplus and deficits.

B. Background/Options

In order to monitor expenditures and revenues, a quarterly report is provided to the Financial Affairs Committee. A presentation is attached that summarizes the projected year-end General Fund results based on actual performance from January-March 2026.

A stop-light analysis is shown with a positive variance receiving a green light; a negative variance up to 10% would be orange and any variance below negative 10% would be red. In addition, period over period trends would be indicated with an arrow as shown below using 2026 data through March. The legend for the year-over-year trend arrows is also shown below.

In this example, revenues in total based on actuals through October, are projected by year-end to surplus 6.1% (a green light since the percentage is positive) and are \$2.2 million above the prior. This 3.2% period over period increase earns a vertical arrow. Under "Law and Ordinance Violations" which is showing red, I've drilled down into a lower level of categories to identify where the potential issue is.

EXAMPLE ONLY - NOT ACTUAL DATA

Row Labels	2023YTD	2024YTD	2024BA	2024 EST	Sum of Variance	Sum of % Va	Year over Year Trend	Prior YTD Variance
1-REVENUES	67,967,735	70,169,694	76,923,348	81,616,458	4,693,110	6.1%	→	2,201,959
01-TAXES	51,558,964	53,003,824	54,030,272	54,108,058	77,786	0.1%	→	1,444,859
02-STATE SHARED TAXES	4,604,468	4,421,281	6,676,816	6,700,816	24,000	0.4%	→	(183,188)
03-LICENSES AND PERMITS	1,385,262	1,612,142	1,800,600	2,124,608	324,008	18.0%	↔	226,879
04-FEES	1,937,178	3,238,140	4,512,934	4,213,484	(299,450)	-6.6%	↑	1,300,961
05-LAW AND ORDINANCE VIOLATIONS	586,659	708,198	1,128,500	916,448	(212,052)	-18.8%	↔	121,539
17-COURT PENALTIES	258,518	245,898	481,000	305,398	(175,602)	-36.5%	→	(12,619)
18-PARKING VIOLATIONS	266,941	388,770	542,500	511,270	(31,230)	-5.8%	↑	121,829
19-OTHER LAW AND ORDINANCE REVENUE	61,200	73,530	105,000	99,780	(5,220)	-5.0%	↔	12,330

The year over year change icons are based on the following rules:

Display each icon according to these rules:

Icon	Condition	Value	Type
↑	when value is	>= 0.25	Number
↔	when < 0.25 and	>= 0.05	Number
→	when < 0.05 and	>= -0.05	Number
↔	when < -0.05 and	>= -0.25	Number
↓	when < -0.25		

A presentation with the actual results is attached to this memo and staff will discuss in detail during the meeting.

C. Strategic Plan (Area of Focus)

Financial Resilience

D. Fiscal Impact

Informational only

E. Recommendation

This report is for informational purposes only.

2026 Budget

Q1 Forecast

Financial Affairs
May 12, 2026



2026 Q1 Forecast | Methodology

- Use actual expense and revenue figures through end of quarter
- Group actuals into category groups (i.e. wages, benefits, utilities, etc.)
- Use proprietary excel-based forecasting model to project through year end
- Incorporate other information sources (Hotel/Motel monthly report, Health Insurance Report)

How to interpret tables

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
10-BUILDING PERMITS	342,865	↑ ●	26.6%	422,852

Is the forecasted amount problematic? (traffic signal analysis)

2026Q1 – 2025Q1

% forecasted variance from budget at year-end

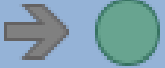
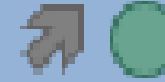

Highest level account grouping for expenditures or revenues

Forecast typically at Account Type grouping

How much this category will exceed or fall (short) of budget

Is the year to quarter amount this year more or less than the same period last year?

2026 Q1 Forecast | Summary

General Fund	BUDGET	FORECAST	VARIANCE \$	VARIANCE %
REVENUES	\$ 81,101,334	\$ 81,252,099	\$ 150,765	 0.2%
EXPENDITURES	\$ 81,101,334	\$ 79,485,388	\$1,615,946	 2.0%
SURPLUS/(DEFICIT)			\$ 1,766,711	
	STARTING BALANCE	CHANGE	ENDING BALANCE	% OF POLICY
FUND BALANCE	\$ 28,420,215	\$ 1,766,711	\$ 30,186,926	 131%

2026 Q1 Forecast | Revenues

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
1-REVENUES	150,765	→ ●	0.2%	(472,470)
01-TAXES	39,900	→ ●	0.1%	1,107,695
02-STATE SHARED TAXES	1,486	→ ●	0.0%	(7,949)
03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
04-FEES	(124,997)	→ ●	-2.5%	(38,972)
05-LAW AND ORDINANCE VIOLATIONS	(171,980)	↘ ●	-15.4%	(66,945)
07-FEDERAL AND STATE GRANTS	-	↓ ●	0.0%	(57,509)
08-LOCAL INTERGOVT REVENUE	(173)	↓ ●	-0.1%	(17,199)
09-INTEREST	(8,645)	↓ ●	-0.3%	(1,935,105)
10-MISC REVENUES	54,672	↑ ●	17.1%	37,094
11-INTER-DEPT REVENUE	80	↗ ●	0.0%	2,889
12-BOND PROCEEDS	-	N/A	N/A	-
13-INTER-FUND TRANSFERS	-	N/A ●	0.0%	50,000

Display each icon according to these rules:

Icon **Value**

- when value is ≥ 0
- when < 0 and ≥ -0.1
- when < -0.1

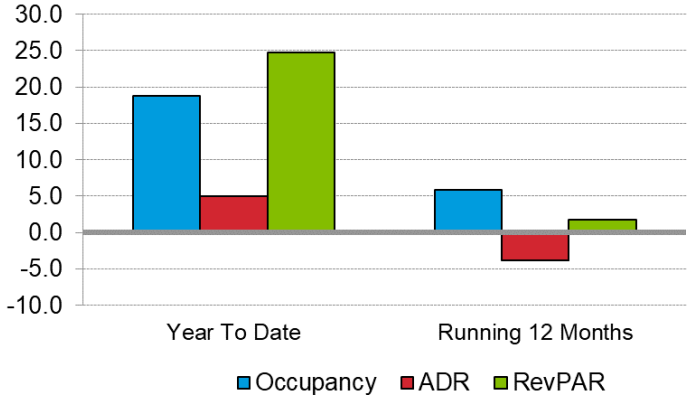
Display each icon according to these rules:

Icon **Value**

- ↑ when value is ≥ 0.25
- ↗ when < 0.25 and ≥ 0.05
- when < 0.05 and ≥ -0.05
- ↘ when < -0.05 and ≥ -0.25
- ↓ when < -0.25

2026 Q1 Forecast | HOTEL TAXES

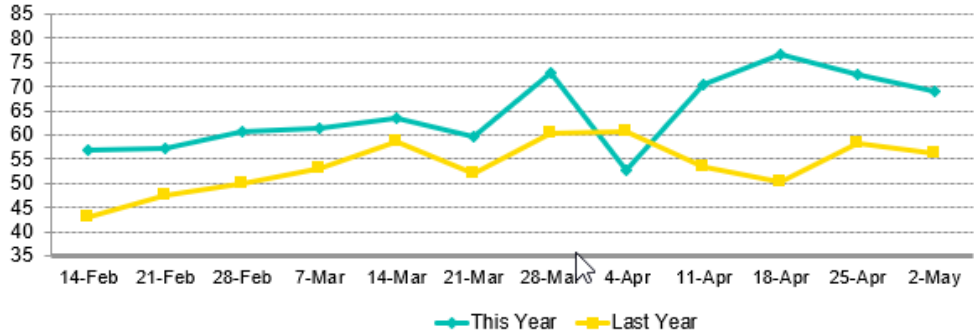
Overall Percent Change



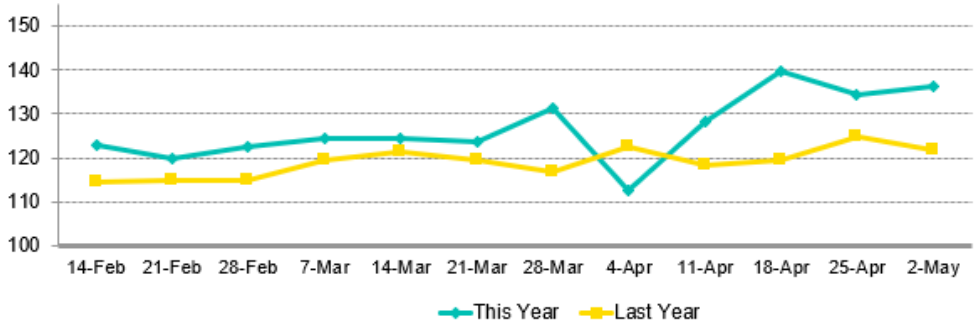
Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
37,226	↗	1.9%	29,503

Tab 2 - DayTrend City of Wauwatosa, WI+: City of Wauwatosa
 City of Wauwatosa
 For the Week of April 26, 2026 to May 02, 2026

Weekly Occ (%) - Feb 14, 2026 to May 02, 2026



Weekly ADR - Feb 14, 2026 to May 02, 2026



2026 Q1 Forecast| Permits

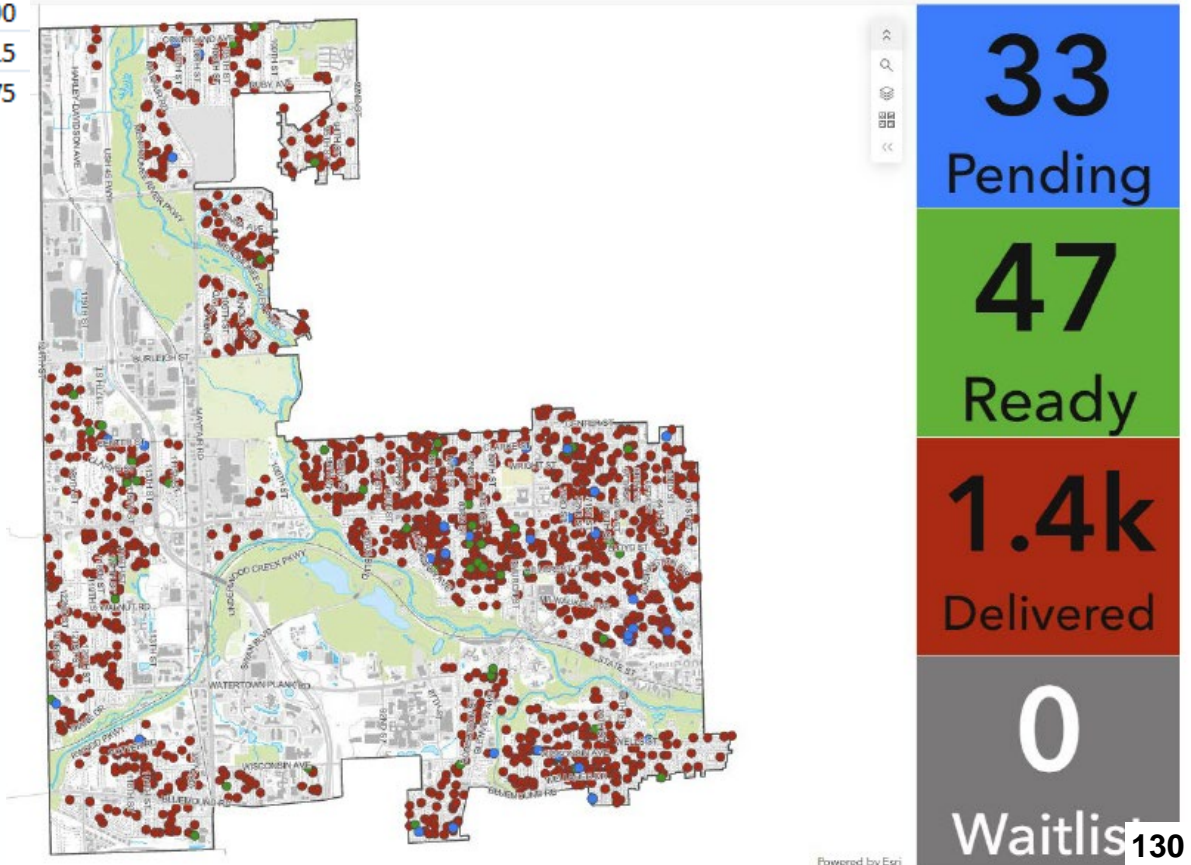
Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
[-] 03-LICENSES AND PERMITS	360,422	↑ ●	17.2%	453,531
[+] 10-BUILDING PERMITS	342,865	↑ ●	26.6%	422,852

Metric	April Monthly Actual	YTD Actual	Annual Goal	% to goal	Prior Year YTD
Total Department Revenue	\$165,446.00	\$805,269.00	\$1,463,260.00	55%	\$160,527
Building Permit Revenue	\$120,867.00	\$592,746.00	\$900,000.00	66%	\$76,938
Residential Construction Value	\$2,225,795.00	\$8,056,832.00			\$5,864,177.00
Commercial Construction Value	\$2,059,743.00	\$56,828,964.00			\$16,122,348.00
Residential Permits Issued	46	183			138
Commercial Permits Issued	12	50			24

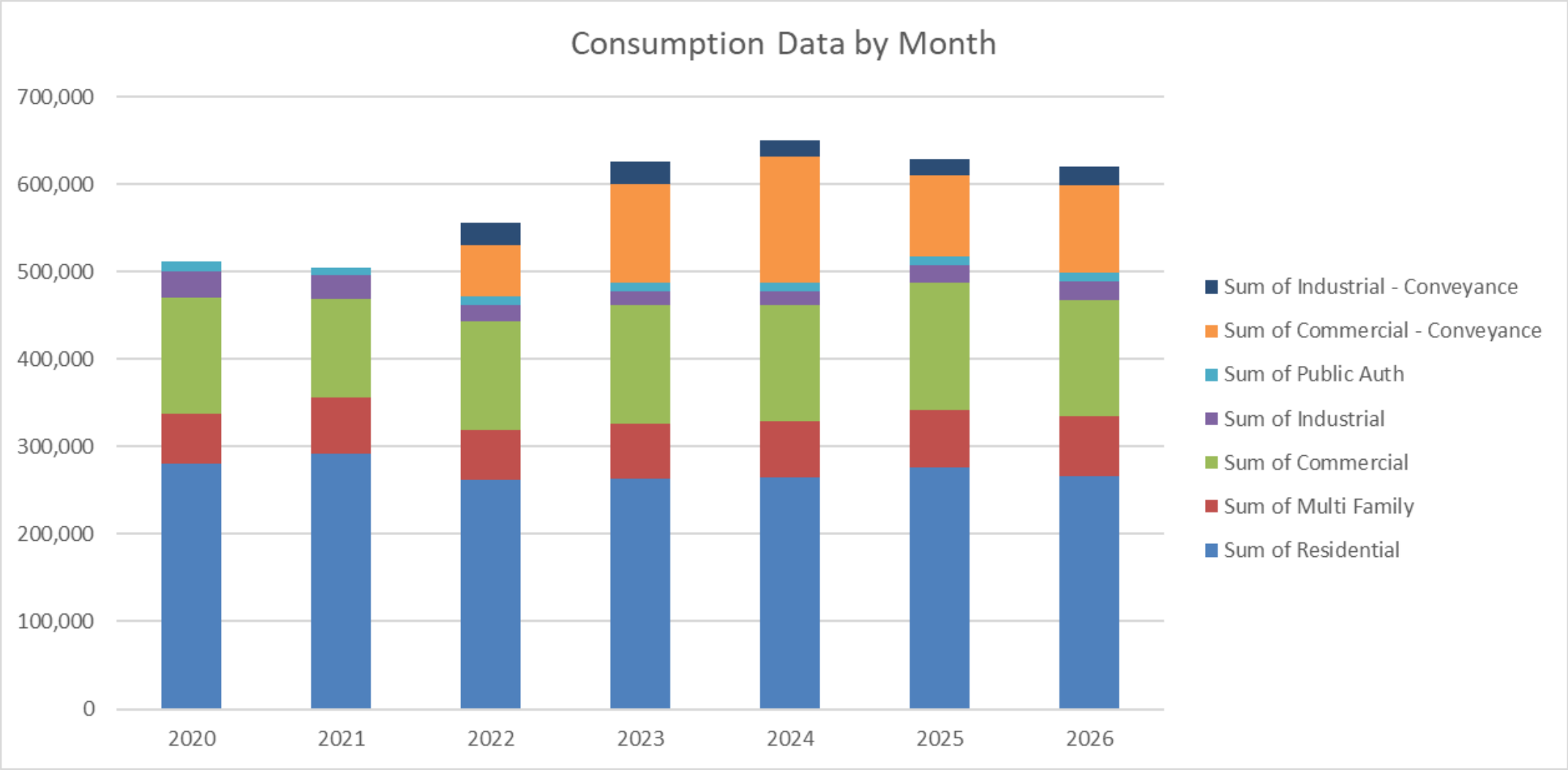
2026 Q1 Forecast | Fees

Row Labels	Variance to Original Revenue Budget	Year over Year Trend	% Var to Original Revenue Budget	Prior YTD Variance
04-FEES	(124,745)	→	-2.5%	(38,972)
12-OTHER FEES	85,730	↑	7.5%	221,598
13-OTHER PUBLIC SAFETY FEES	(199,492)	→	-30.4%	2,590
4614-MAYFAIR MALL OFFICER FEE	(79,246)	↗	-35.4%	1,815
4616-SCHOOL RESOURCE OFFICER FEE	(120,246)	→	-27.8%	775

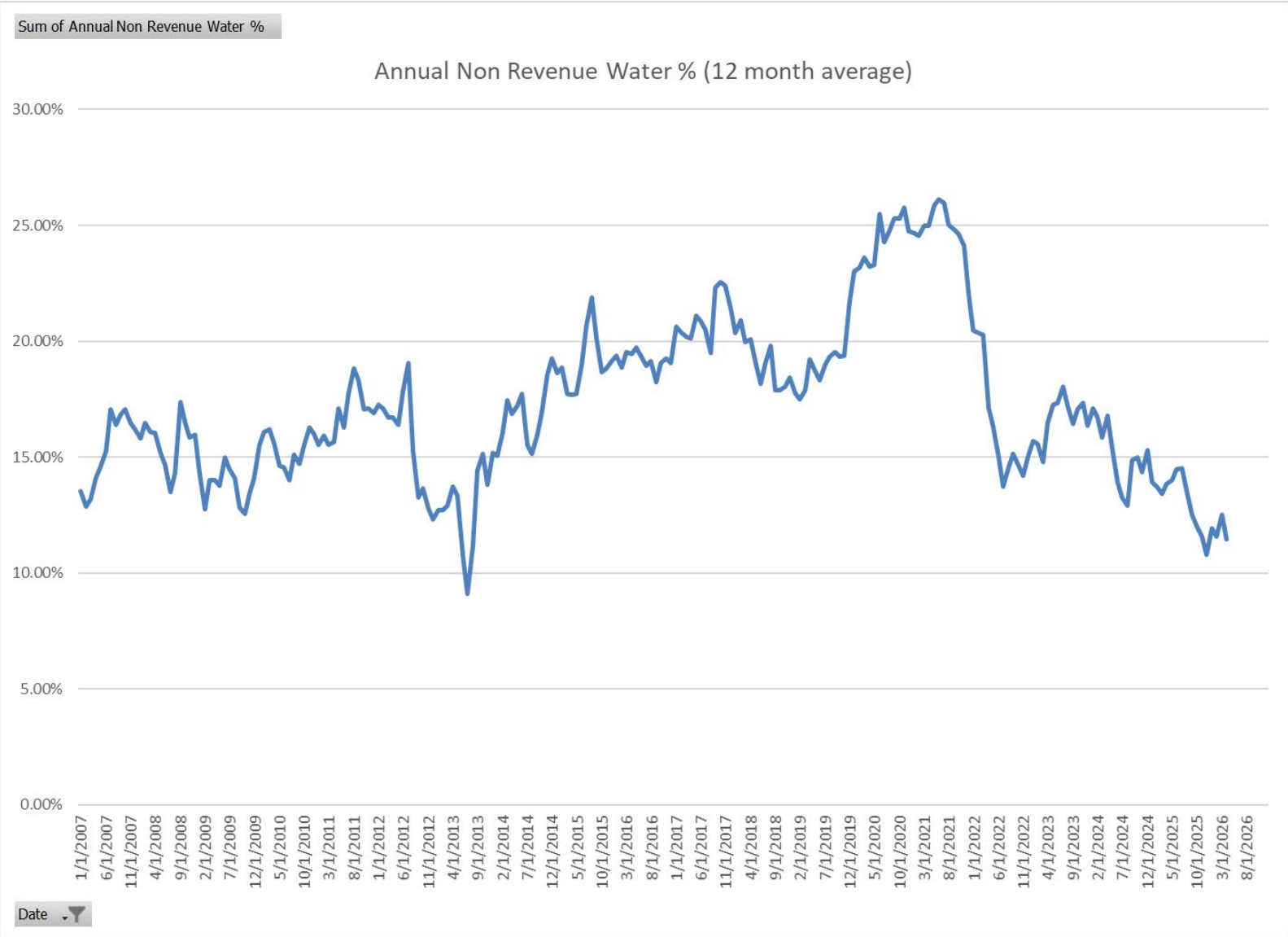
Yard Waste Carts Purchased and Delivered in 2026



2026 Q1 Forecast | Water Revenue



2026 Q1 Forecast | Water Revenue



2026 Q1 Forecast| Expenditures

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	N/A	N/A		901,561
01-WAGES	1,220,618	↓ ●	3.5%	(757,663)
02-BENEFITS	N/A	↘ N/A		(183,480)
03-OPERATING EXPENDITURES	134,954	→ ●	2.3%	19,854
04-UTILITIES	44,051	↘ ●	5.4%	(44,387)
05-OTHER EXPENSES	6,865	↑ ●	0.8%	491,452
08-INTER-DEPT CHARGES	(54,848)	↗ ●	-1.4%	161,520
09-CAPITAL IMPROVEMENTS	-	↓ ●	0.0%	(52,379)
12-INTER-FUND TRANSFERS	0	N/A ●	0.0%	1,266,644

Display each icon according to these rules:

Icon

- when value is ≥ 0
- when < 0 and ≥ -0.1
- when < -0.1

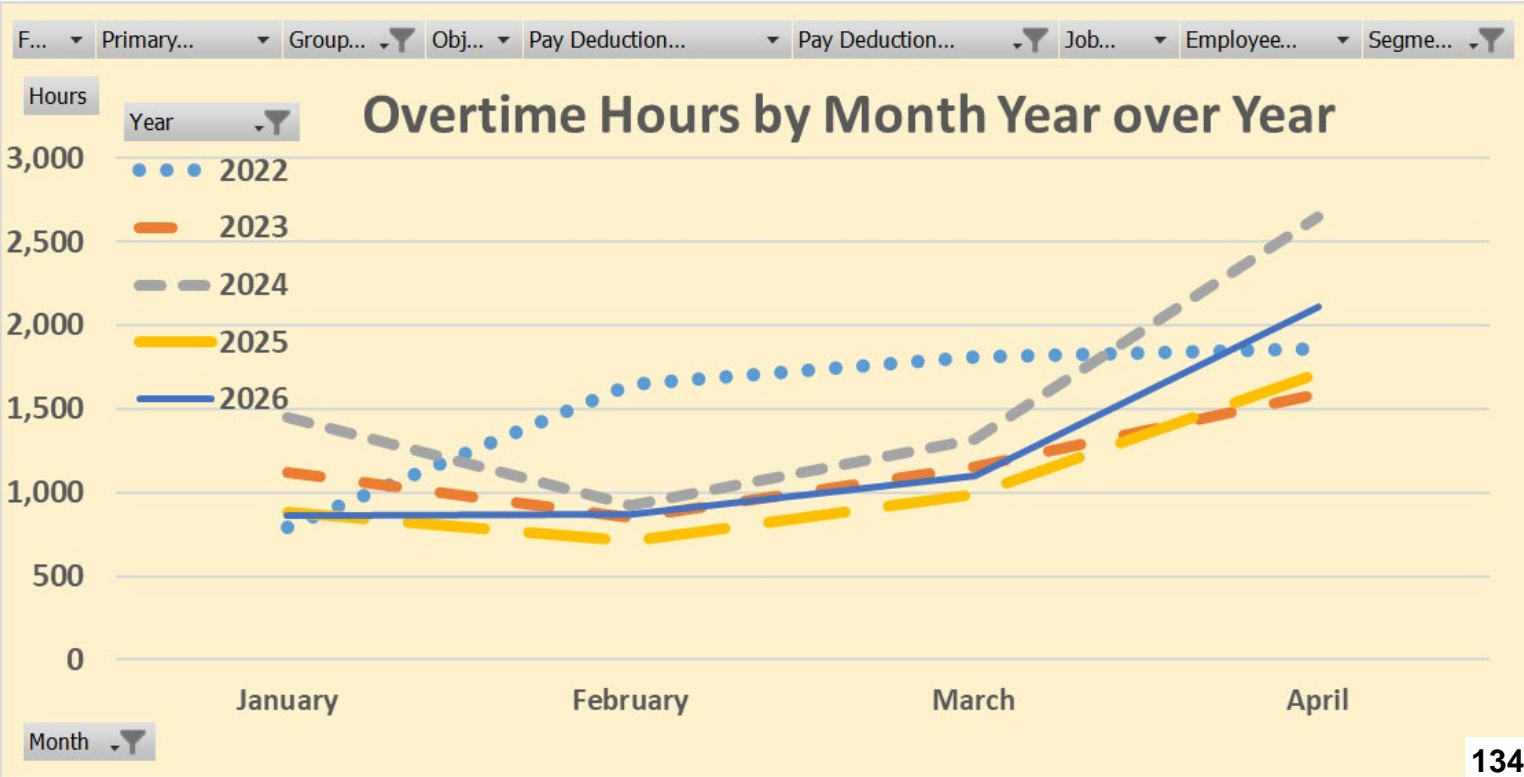
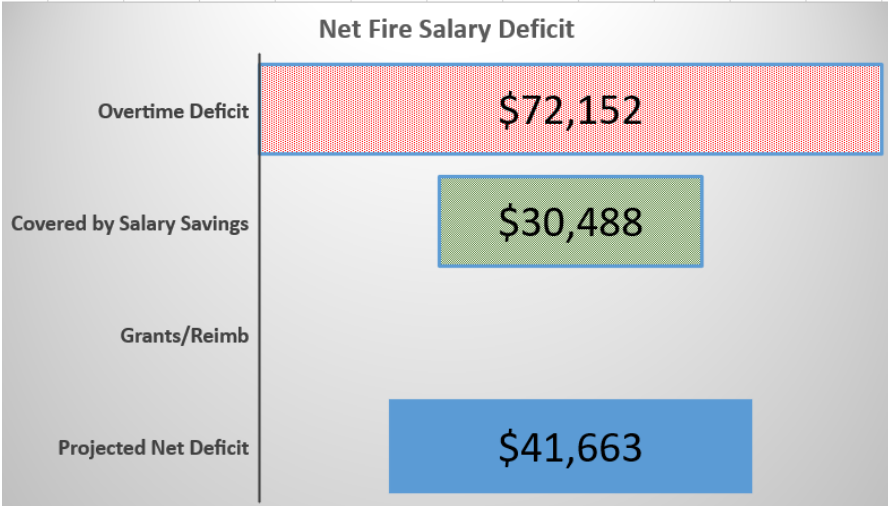
Display each icon according to these rules:

Icon

- ↑ when value is ≥ 0.25
- ↗ when < 0.25 and ≥ 0.05
- when < 0.05 and ≥ -0.05
- ↘ when < -0.05 and ≥ -0.25
- ↓ when < -0.25

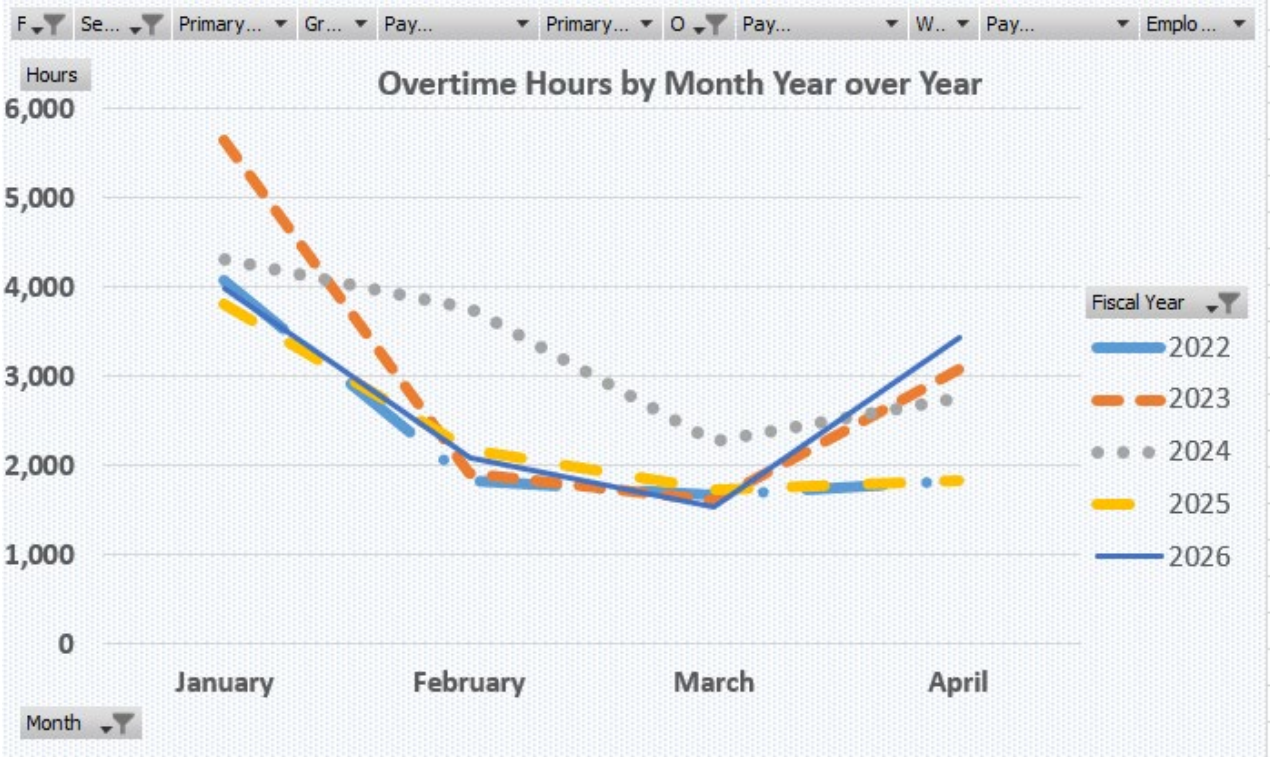
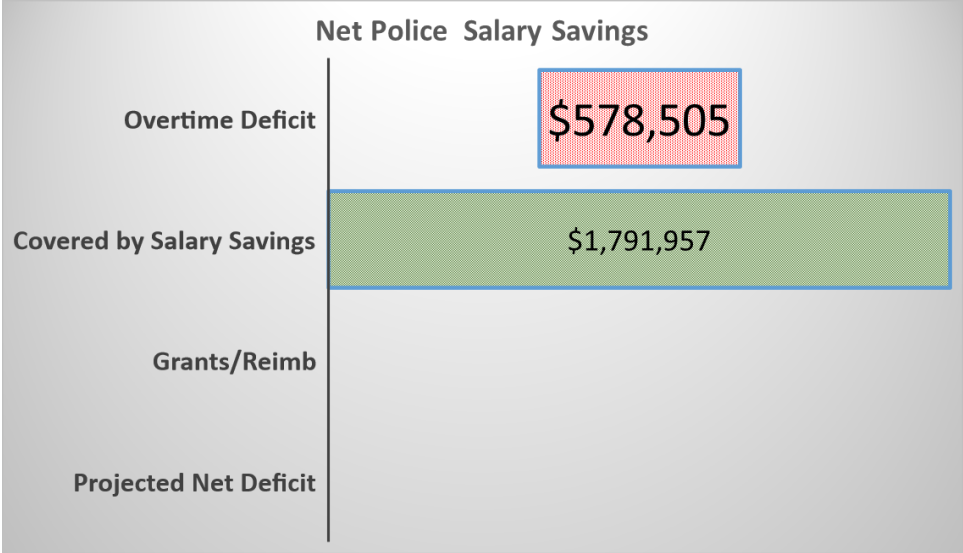
2026 Q1 Forecast | Fire Wages and Overtime

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	1,615,946	↗	2.0%	901,561
01-WAGES	1,220,618	↘	3.5%	(757,663)
01B-REGULAR PAY-FIRE SWORN	38,832	↘	0.4%	(607,834)
02B-OVERTIME-FIRE SWORN	(72,155)	↘	-17.9%	(42,698)



2026 Q1 Forecast | Police Wages and Overtime

Row Labels	Var. to Original Budget	Year over Year Trend	% Var to Original Budget	Prior YTD Variance
2-EXPENDITURES	1,615,946	+	2.0%	901,561
01-WAGES	1,220,618	+	3.5%	(757,663)
01A-REGULAR PAY-POLICE SWORN	1,792,000		16.4%	(137,006)
02A-OVERTIME-POLICE SWORN	(578,000)		-61.9%	14,451



2026 Q1 Forecast | Health Insurance

YTD % of Premium Equivalent

106.6%

YTD Fixed Costs

\$704k ▲ 56.7% vs. prior YTD

YTD Net Paid Claims

\$2.0M ▲ 15.3% vs. prior YTD

YTD Total Plan Costs

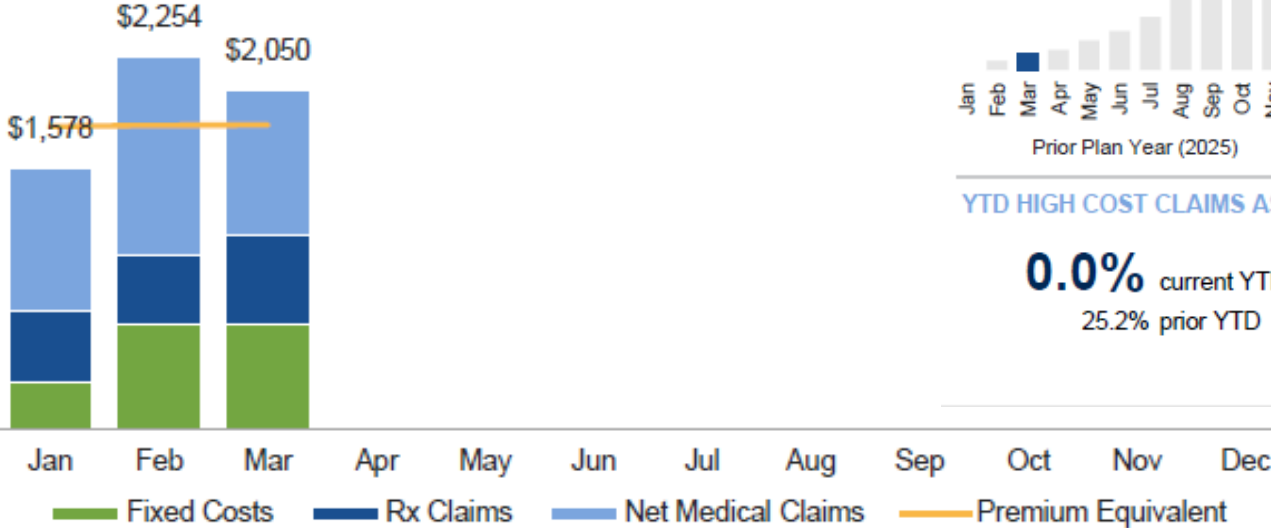
\$2.7M ▲ 23.9% vs. prior YTD

Average Enrolled Employees

455 ▲ 1.5% vs. prior year

Contract size **2.60** vs. 2.62 for prior year

Monthly Plan Cost Per Employee



High Cost Claimants (\$50k+)

YTD HIGH COST MEMBERS

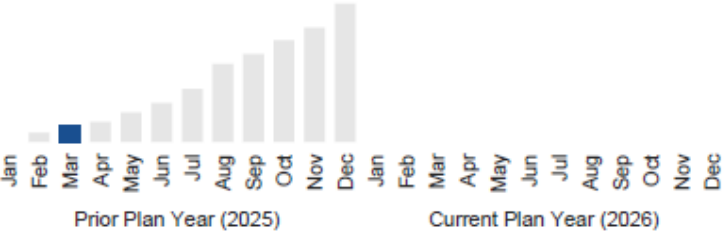
0 Members ▼ 6 from prior YTD

0 new this month

YTD HIGH COST CLAIMS PAID

\$0.0k ▼ \$431.1k from prior YTD

no change from prior month

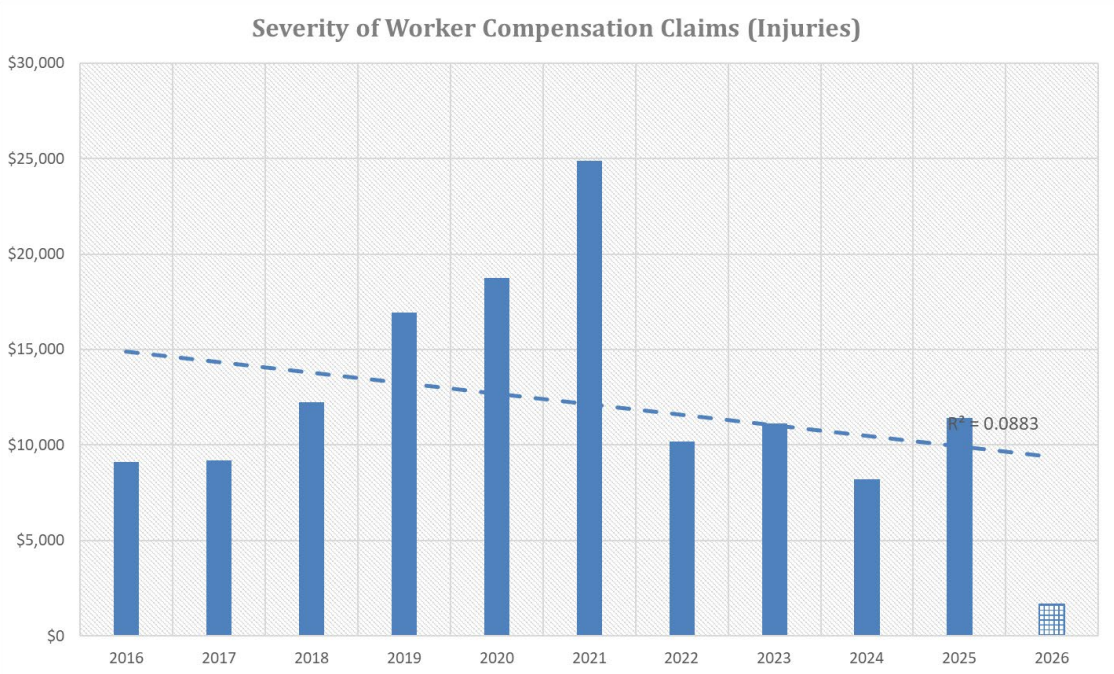
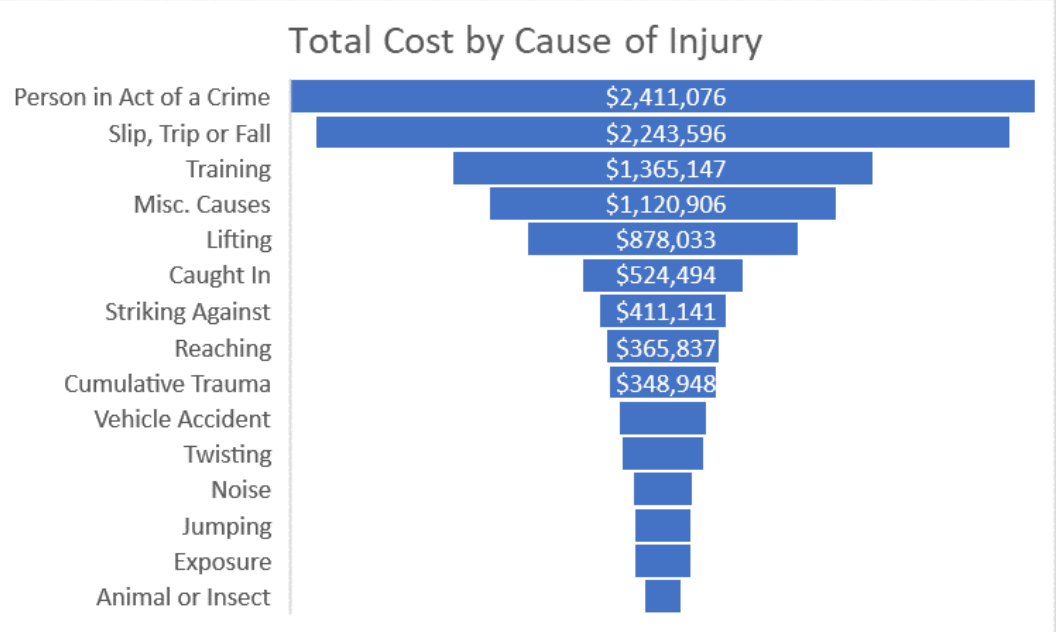
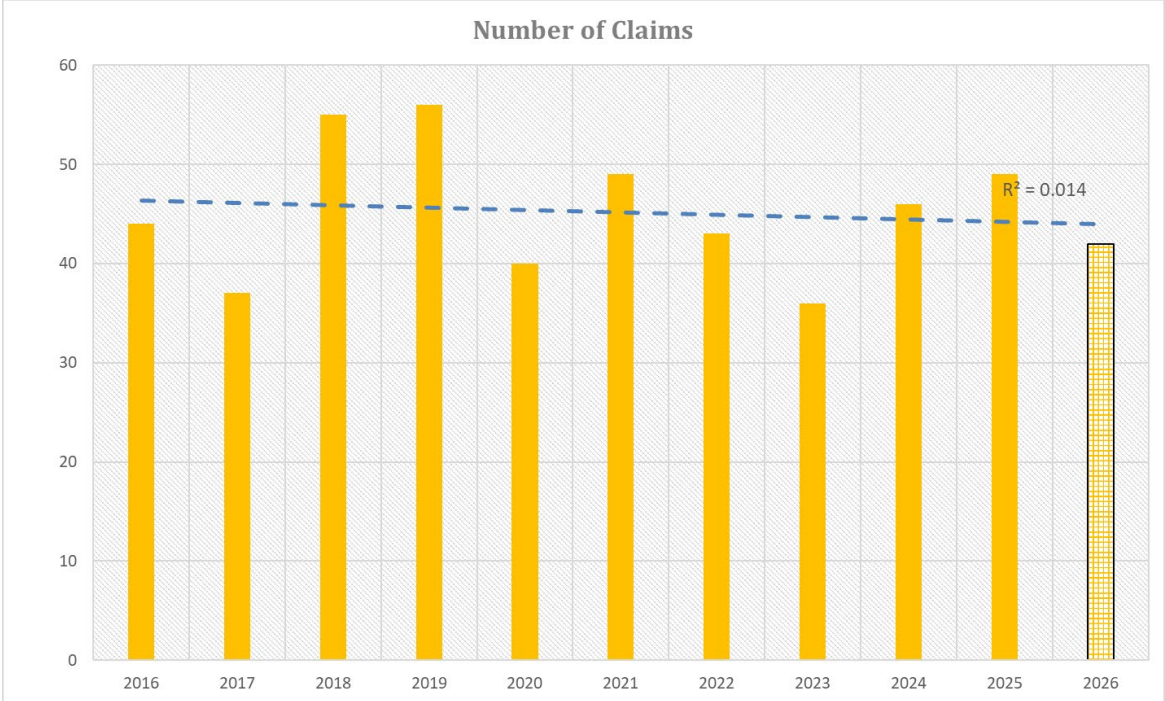


YTD HIGH COST CLAIMS AS A % OF TOTAL CLAIMS

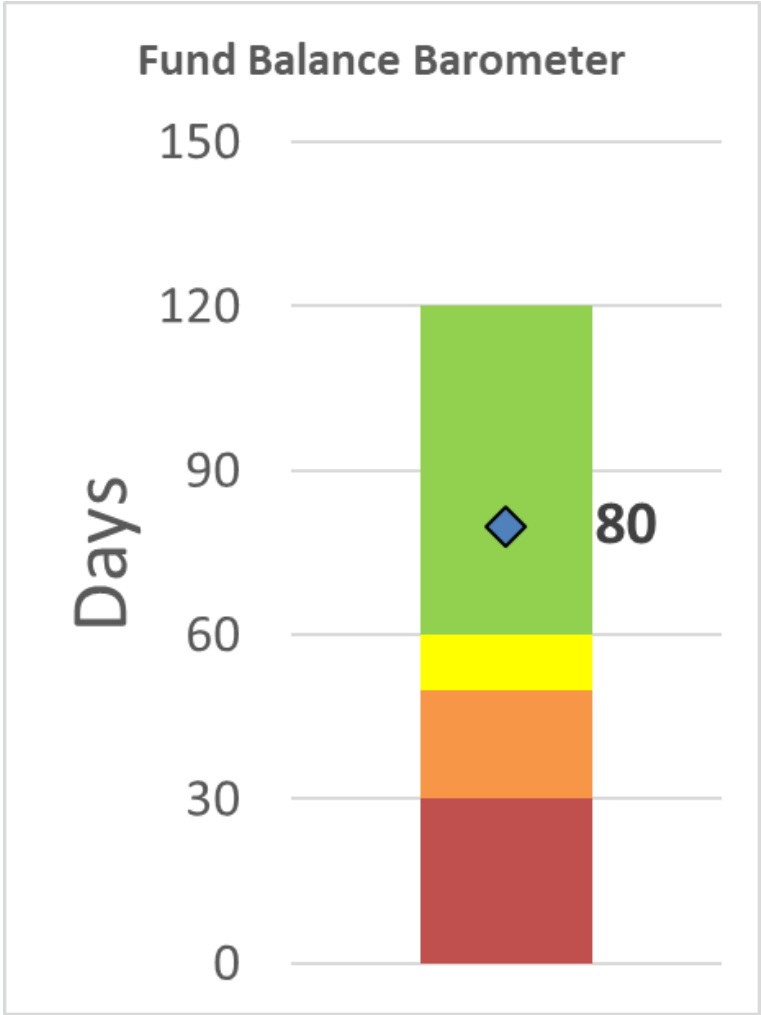
0.0% current YTD

25.2% prior YTD

2026 Q1 Forecast | Workers Compensation



2026 Q1 Forecast | Fund Balance



- ▲ Q1 – 80 Days
- ◆ Q2 – TBD Days