



MEMO

PLANNING AND COMMUNITY DEVELOPMENT

To: Common Council
From: Dave Kittel, Director of Planning and Community Development
Date: 7/30/2025
Re: TID 5 extension request

Background information:

Tax Incremental District (TID) 5 is forecasted to have some duress and not able to fully pay off debt service by the current end of its life on July 1st 2034. This district is in the Commerce crossing area, which has seen new developments recently. This new growth has helped the TID financially to the point that an extension of 3 years would ensure that all obligations can be fulfilled. The main reason that this situation occurred is due to the delay in development in TID 5 with the creation of this TID in 2003. Many of the larger developments occurred in just the last 2 to 3 years with the TID fronting the bill on all the infrastructure. One extension has been applied for and granted for the TID with one more remaining due to a law change in 2015 called a Technical College extension. This extension is available for any TID created before 2014 under state statute [66.1105\(7\)\(am\)4](#) due to 2013 Act 145 that negatively impacted TID by shifting a portion of technical college funding from property taxes to state aids which lowered the increment coming into a TID. To qualify for this extension the city must request the Joint Review Board to review and approve a resolution on extending the life of TID 5 and the city must show the need for the extension. Below is a simple table to show the projected increment will likely not be sufficient to pay off the debt service by 2034:

	TID #5				
Levy Year	Tax Revenue	Donor Funds	Total Revenue	Debt	Diff
2025	\$0	\$600,000	\$600,000	1,213,981	(613,981)
2026	\$727,361	\$417,474	\$1,144,835	1,513,840	(369,005)
2027	\$1,616,635	\$0	\$1,616,635	2,571,615	(954,980)
2028	\$1,722,801	\$0	\$1,722,801	2,594,228	(871,426)
2029	\$1,920,029	\$0	\$1,920,029	8,116,020	(6,195,991)
2030	\$2,389,229	\$0	\$2,389,229		2,389,229
2031	\$2,413,122	\$0	\$2,413,122		2,413,122
2032	\$2,437,253	\$0	\$2,437,253		2,437,253
2033	\$2,461,625	\$0	\$2,461,625		2,461,625
2034	\$2,486,242	\$0	\$2,486,242		2,486,242
2035					
2036					
2037					
2038	End of Life				
2039					
2040					
2048					
2049					
2050					
2051					
2052					
Wayfinding Signage					0
The Reserve	6,000,000		\$6,000,000	9,000,000	(3,000,000)
Land Sale Revenue	\$500,000		\$500,000	0	500,000
Grand Stay Hotel				900,000	(900,000)
Duquaine				2,000,000	(2,000,000)
Interest Expense				2,609,294	(2,609,294)
Cash on Hand/Fund Balance	3,248,923		\$3,248,923		3,248,923
Total	27,923,220	1,017,474	28,940,694	30,518,977	(1,578,283)

Additional information on the extension can be found on the Department of Revenue's website with a link below to information on TID extension types:

<https://www.revenue.wi.gov/Documents/TIDExtensionTypes.pdf>

Strategic Plan:

This links directly with the strategic plan foundation of financial responsibility.

Budget:

If the TID is not able to pay off Dept service, it could impact the general fund long term if the City must cover the remaining dept.

Recommendation:

To approve a resolution requesting the Joint Review Board to review and approve a resolution to extend TID 5 under the provisions of the Technical College Extension.

