



## Tax Incremental Financing Districts – Frequently Asked Questions

### 1. What is a Tax Incremental Financing District?

A Tax Incremental Financing District (TID) is an economic development tool used by municipalities to promote economic development and redevelopment initiatives within a geographic area defined by the City.

### 2. How does a TID work?

Taxes collected on the increase of property value within the TID are used to pay for projects and expenses incurred within the TID. All of the taxing jurisdictions (City, County, School District and Technical College) continue to collect their share of taxes on the property value established when the TID is created (referred to as the base value). The City retains all of the taxes collected on increased value, including the amount attributable to the other taxing jurisdictions. For example, if a property has a \$500,000 value when the TID is created, all taxing jurisdictions will continue to collect their share of taxes on the \$500,000 base value after the TID is created. If the property value increases to \$750,000 after the TID has been created, the City will retain all of the taxes collected on the \$250,000 of new value generated. These additional taxes must be used to pay for projects that benefit the TID.

### 3. Do I pay a different tax rate if my property is located within a TID?

No. Property owners within a TID pay the same tax rate as properties located outside of a TID. The only difference is how the taxes paid are distributed to the taxing jurisdictions.

### 4. How long will the TID remain in place?

The TID the City is considering has a maximum life of 27 years. The TID can close sooner if sufficient revenue has been generated to pay for projects and no additional costs are anticipated.

### 5. What type of TID is the City of Mosinee considering creating?

The City of Mosinee is considering creating a Blight TID District. State Statutes define a Blight TID as an area where at least 50% of the area within the TID meets the statutory definition of an area in need of blight elimination. "Blighted area" as defined by the Statutes means any of the following:

- a. *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.***

- b. *An area which is predominantly open and which consists primarily of an abandoned highway corridor, as defined in s. 66.1333 (2m) (a), or that **consists of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.***

"Blighted area" does not include predominantly open land area that has been developed only for agricultural purposes.

The criteria that the City Mosinee has applied to the proposed Downtown TID area includes: buildings or improvements that are deteriorated, dilapidated or obsolescent due to neglect or age that are substantially impairing the sound growth of the community.

**6. What types of projects will the City undertake within the TID?**

State Statutes provide the City with significant flexibility with respect to how TID funds are spent. The City has identified various street, streetscape, signage and park improvements within the District. The City may also provide grants for façade improvements and may provide development incentives through a Development Agreement with a developer. All TID projects or incentives must be approved by the City's Common Council. The projects that the City may consider undertaking are detailed in the "Project Plan" for the TID. The City is under no obligation to complete a project identified in the TID project plan. If the TID is created, the Project Plan will serve as a guide and planning tool for the City's Common Council.

**7. Will City tax dollars be used to support project costs within the TID?**

The City can use non-TID dollars to support projects and initiatives within the TID. Eligible TID costs, if any, paid by the General Fund or other funds can be reimbursed by the TID with interest once increment is available.

**8. Does the TID change the zoning for my property?**

No. The TID does not change existing zoning already in place.

**9. Does the TID make it easier for the City to use eminent domain?**

No. The process identified within State Statutes for eminent domain is the same whether a property is within a TID or outside a TID.

**10. Who decides how the TID is used and what projects occur within the TID?**

The City's Common Council determines how funds are spent within the District and establishes the overall vision for the TID. The TID is a long-term economic development initiative and partnership with the other taxing jurisdictions. Priorities and expectations for the TID will need to be updated and reestablished during the life of the District as economic conditions change.

**11. What is the benefit to creating a TID and why is the City considering it?**

Without the use of TID, the City has determined that development within the Downtown TID would not occur; or would not occur in the manner, at the values, or within the timeframe desired by the City. In order to make the TID area suitable for additional development and redevelopment, the City will need to make substantial investments within the area. Accordingly, the City finds that absent the implementation of a TID, additional development and redevelopment of the area is unlikely to occur.

**For additional information pertaining to the proposed Downtown Tax Increment District No. 3, please contact Mosinee City Administrator Jeff Gates at 715-693-2275 or at [cityadm@mosinee.wi.us](mailto:cityadm@mosinee.wi.us).**