

CITY OF FOND DU LAC - Memorandum

Department of Community Development

Date: August 9, 2023

To: City Plan Commission

From: Dyann Benson, Community Development Director

Re: Tax Incremental District Number Twenty-Five

Enclosed is the proposed Project Plan for Tax Incremental District Number Twenty-Five (TID 25), which will be the subject of a public hearing at the August 14 meeting.

TID 25 will be utilized to assist in the redevelopment of the vacant parking lot at Johnson Street and Doty Street along with any opportunities at the Fives Giddings & Lewis facility, such as the original office building at the southwest corner of Johnson Street and Doty Street. The redevelopment of the long vacant parcel will provide an opportunity for additional housing development near the downtown.

In order to help facilitate the redevelopment, the City will be investing approximately \$3 million in public improvements. The City may provide a public investment to the developer(s) of up to \$2 million. Increment generated by the project will be used to repay the debt which should take between 18-20 years. Any investment provided to the developer(s) is subject to entering into a development agreement with the City and funds would only be distributed upon completion of the project, issuance of a certificate of occupancy and availability of increment.

Tax Incremental Financing (TIF) has been used successfully in the City to fund the creation of industrial parks, the business park and a number of redevelopments. The City was able to pay off and close several TIDs early because they were successful in fostering development. The City of Fond du Lac has been careful and successful in the use of Tax Incremental Financing.

TIF is authorized in state law and has been in use in Wisconsin since the 1970s. The creation of a TID requires the approval of the Plan Commission, the City Council, and the Joint Review Board. The Joint Review Board includes representatives of the taxing jurisdictions: Fond du Lac County, the City, Fond du Lac School

District and Moraine Park technical College. Once a TID is created, the additional taxes generated within the district are used to pay back the costs of the district.

Please note that the Plan Commission is charged with three tasks in the creation of a Tax Incremental District: to designate the TID boundaries, to adopt the project plan, and to recommend to the City Council that the district be created. The recommended motion for the TID is:

- to designate the boundaries of the Tax Incremental District as set forth in the project plan;
- to adopt the Project Plan;
- to recommend to the City Council that the Tax Incremental District be created.

Should you have any questions regarding the proposed TID, please contact me at dbenson@fdl.wi.gov or 322-3440. Thank you.