

CITY OF NEW LONDON
WISCONSIN

2018 TIF FUND BUDGET

October 17, 2017

as Recommended by Budget Committee

Prepared by:

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City Administrator

Judy Radke
Treasurer/Finance Director

10/17/2017

City of New London

Date: 10/13/2017

To: Budget Committee of the Whole

From: Judy M. Radke, Finance Director

RE: ER TID 1

ER TID 1

<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Final Dissolution Date</u>
01/01/01	12/31/2015	12/31/2023

Current value: \$39,000

Recoverable amount: \$259,240

Current Increment amount: \$380

The purpose of a TIF District is to allow a municipality to recover costs incurred in Brownfield Remediation projects from the property taxes generated on the increased value of the new property built in the area after the creation date of the TIF. The tax on the increased value is called a tax increment. When the District is originally organized tax jurisdictions (Outagamie County, Waupaca County, School District of New London and Fox Valley Technical College) all agree that they will forego the tax revenue on the area within the District for each of the taxing entities and all this tax revenue will come to the City. Debt is often the means to pay for the improvements and considered an expense to the District. The increment is collected until the money that was spent (expense) in the District is paid in full. Taxing jurisdiction often sign off on the use of a TIF District formation because, upon closure of the District, the value that is added to the tax base equates into more tax dollars.

City anticipates increased value with the construction of the Beacon Avenue Cottage in 2019.