
NEWSLETTER

STEVENS POINT 1ST DISTRICT – ALDER TORI JENNINGS

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Water/sewer bill changes

A \$19 million wastewater treatment and \$6 million sewer/water/storm water facility improvement project is underway and should be completed sometime in 2020. The project will address solid waste handling and digestion capacity, as well as the operation of future nutrient removal projects. As a result of these improvements, property owners will see a \$5 a month or \$15 a quarter increase on water/sewer bills. The last rate increase was 2012 for water and 2010 for sewer. The new rates will be fully implemented in February 2019.

Positive economic growth

Monthly construction permits are one measure of the City's economic strength. Since 2015, Stevens Point has seen a sizeable increase in permits issued for residential and commercial projects (Fig. 1). Especially notable is the increase in commercial permits. Commercial and mixed-use projects have more value than residential projects. For example, this month's Community Development Report shows 26 commercial permits were issued with a declared valuation of \$2,075,819. By contrast, 52 residential permits were issued with a declared valuation of \$279,920. As your alder, I have been an advocate for quality infill redevelopment that builds wealth and long-term economic stability.

**Building permit history 2015 to November 2018
Commercial & Residential**

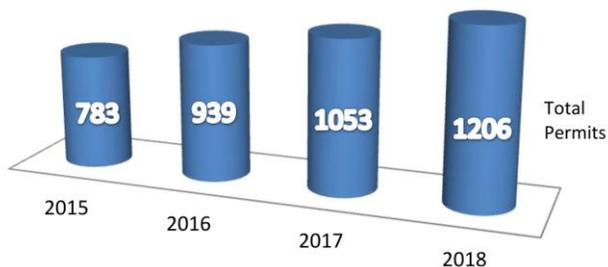


Figure 1 – Total number of permits issued per year since 2015 through November 2018.

Let me know your thoughts about city matters



Feel free to contact me with questions, concerns, and ideas.

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Property tax update

Property owners will see a modest 9¢ per \$1,000 or \$9 per \$100,000 increase on the City's portion of our 2018 tax bill. Tax bills include City, County, Stevens Point Area School District, and Mid-State Technical College. The projected 2018 tax rate per \$1,000 assessed value/mill rate is \$23.18 (an increase of .96¢ from 2017). The largest tax rate increase comes from the School District. ***Please note that the 2018 tax bill does not reflect the school referendum.***

However, the tax bill does reflect the referendum for the Portage County Health Care Center.

Dealing with deer in Ward 1

Forty five deer will be culled during the 2018-2019 season. As of October, 19 of the 45 permitted deer were culled. No culling will take place on the Sisters of St. Joseph Convent grounds this season at the request of the nuns. Alder Mary McComb (Deer Management Committee member) is currently working with Public Works staff on a GIS mapping project. This project will provide detailed GIS information about car/deer collisions and locations where deer are culled. This GIS data will improve deer management throughout the area and enhance interagency cooperation. If you have any questions about deer or geese, please contact John Okonek at 715-630-0230 or email: johno64@att.net

What is TIF and why should we care?

by **Tori Jennings, Ald. First District**

What is TIF?

Tax Increment Financing (TIF) was first implemented in California in 1952 and today 49 states have enacted TIF legislation. The purpose of TIF is to draw development into neglected areas of a city often deemed “blighted” according to state statute. In principle, TIF promotes economic development within the Tax Incremental District (TID) by “earmarking increases in future property tax revenues that result from increases in real estate values in the district.”¹

How does TIF work?

Once a TIF district is designated, property values within the TID are assessed to establish a “baseline value.” Taxes on this *baseline value* continue to be used for government goods and services such as roads, schools, sewer/water, police, fire, etc. Meanwhile, as new construction and private investment increase the value of properties within the TID above the baseline value (known as “value increment”), the city gains a revenue stream or “tax increment” it reinvests back into the TID to pay for improvements it made to property (for example, constructing streets and utility infrastructure). In addition, municipalities may borrow against the projected value increases in order to assist in paying for development projects. Once a TID is terminated, all overlying taxing jurisdictions (city, county, school district, and technical college) share in the much larger tax base generated by improvements to the TID. As a result, “tax rates can be lowered to generate the same amount of revenue for the jurisdiction.”^{2, 3}

It’s not a silver bullet

TIF is an economic tool, and like any tool must be appropriately used. Ideally, TIF projects are “self-financing” meaning the project itself creates the value that pays for it. However, many researchers point out that TIF is not a silver bullet and TIF does not always spur private investment and therefore can fail to create enough increment to pay back the bonds used to fund TIF projects. Even so, Professor David Merriman at the University of Illinois at Chicago agrees that TIF “can be a valuable mechanism...but deserves a lot scrutiny because public sector dollars are being re-routed into a different task, away from general purpose funds.”⁴

Officials must carefully evaluate the costs and benefits of TIF districts and TIF development projects.

TIF in Stevens Point

The City of Stevens Point currently has 5 TIF districts in commercial and industrial zones. Most of the City’s growth is occurring in these TIF districts. TIF can be used to incentivize developers to bring projects into areas of the City that pose financial risks to the developer, often because comparable projects do not exist. Lenders use comparable properties when evaluating financial loan applications. In order to spur the type of development that is most beneficial, in the areas that are most appropriate, TIF becomes a very important tool in this process. Otherwise, developers may choose to do the development in other communities in order to receive the needed return on investment.

The Division Street and Downtown TIF districts (TID V & VI) were created to remove blight, revitalize the core of the City, and create housing for our workforce as well as retirees. Currently the City is looking to expand the Downtown TID, a move that I support. Contrary to what some believe, TIF is not a “taxpayer handout.” Another misconception suggests that in order to finance a TIF project the City must have money squirreled away that would be better spent on underfunded projects, such as road repair. Others assume TIF will automatically increase taxes. Such misconceptions do not align with TIF legislation or the realities of the City budget.

A well planned TIF development increases property value and the resulting tax increment pays back the bonds used to incentivize development in the first place. Used judiciously and for high value projects, TIF can be an effective and sometimes necessary tool to redevelop the core of our city, strengthen our local economy, and attract new businesses and workers to the area. ■

References cited:

- ¹ Merriman, David 2018. “Improving Tax Increment Financing (TIF) for Economic Development.”
- ² Millsap, Adam 2016. “Does Tax Increment Financing (TIF) generate economic development?”
- ³ State of Wisconsin 2012. “How does TIF work?” Wisconsin Tax Incremental Finance Manual.
- ⁴ Misra, Tanui 2018. “The Trouble with TIF.” CityLab. www.citylab.com.