



# TIF: It's your money

*You should have a say in how it is spent*

Madison will provide millions of dollars in subsidies to developers in the coming year. You should have input in how that money is spent. It should benefit the community, not just the developer. The city should set short and long term goals for that money. And it should all be accountable to you, the taxpayer!

**What is TIF?** Tax Incremental Financing is a financing tool that allows the city to use tax dollars to finance public infrastructure improvements by subsidizing private development in a specific area in anticipation of more property tax revenue later. That revenue is then used to pay back the investment by taxpayers. It was originally intended to jumpstart development in blighted urban areas and was to be used only if a development would otherwise not be possible, the “but for” clause.

## What's wrong with the current system?

- Demand for limited TIF funds is well beyond the funds available or affordable to taxpayers: last year \$24 million was requested, \$7 million was available.
- We have neighborhood plans, budget plans, comprehensive plans, but no TIF plan. Instead it is first come, first serve – whichever projects and developers get there first, get the money.
- There's effectively zero public accountability and oversight, even though it is public money.
- The TIF process is confusing for developers and residents and is virtually silent on demanding community benefits or accountability.

## What are some easy ways to make the system better?

- Establish clear priorities for when and how TIF (taxpayer) money will be used; stress accountability and sustainability; limit subsidies for parking; realize goals like job creation and affordable housing.
- Decide within the big picture, not case by case; create annual and five year plans for TIF money.
- Increase community involvement, accountability & oversight by requiring public meetings on proposed projects and adequate notice to affected neighbors and neighborhood associations.
- Require developers to articulate the specific community benefits provided by their projects (create living wage jobs, promote diversity, sustain the environment, increase affordable housing, etc.). Reward developers who offer more benefits with a faster review process.

**TIF reform is being debated by the City Council, right now.**

**Make sure your voice is heard.**

- Contact the city council your alder. See <http://www.cityofmadison.com/council/index.htm>.
- Contact the Mayor at [mayor@cityofmadison.com](mailto:mayor@cityofmadison.com) or 266-4661.
- Testify at a committee meeting where this debate is happening. Find a list of upcoming TIF reform meetings soon at [www.prodane.org](http://www.prodane.org).
- Find out more. Soon there will be more information about our proposals for reform and other ideas, including those from the city budget committee and the Mayor, at [www.prodane.org](http://www.prodane.org).
- Get your organization or neighborhood association on record in support of the principles above. Contact Vicky Selkove at [vsselkove@gmail.com](mailto:vsselkove@gmail.com) or 772-6046 to have someone address your group.

**It's your money. You should have a say in how it is spent!**