



TID 10 | FAQ for Poth's General Redevelopment

This FAQ is intended to provide factual information about the proposed Tax Incremental District (TID 10) and the redevelopment of the Poth's General site.

Q1. Is the City giving the developer \$15 million?

No. The incentive is structured as a **pay-as-you-go (PAYGO) reimbursement**, capped at \$15 million.

This means:

- The developer must first build the project.
- The project must create new taxable value.
- Only then is tax increment generated.
- The City reimburses up to 90% of the increment actually generated, and only until the \$15 million cap is reached.
- The remaining 10% of annual increment remains with the district and supports administrative costs and long-term district stability.

If the project does not create new taxable value, no reimbursement occurs.

The City is **not** writing an upfront check.

Q2. Why is the incentive capped at \$15 million if projections show an incremental \$17 million?

The reimbursement is capped at \$15 million to:

- Limit the City incentive exposure.
- Ensure the district generates revenue beyond the incentive.
- Provide a financial buffer over the life of the TID.

The district is projected to generate approximately \$17 million over its life based on conservative assumptions. The actual increment depends on the final assessed values and market conditions. The \$15 million cap ensures the incentive does not consume the full projected increment.

Q3. What is the “but-for” test?

State law requires a determination that:

“But for” the use of tax increment financing, the project would not occur as proposed. The City hired third party consultant to prepare documentation to assist the JRB in making this determination.



TID 10 | FAQ for Poth's General Redevelopment

The Joint Review Board must formally approve this determination.

This ensures TIF is used only when necessary to enable redevelopment that would not otherwise occur.

Q4. Are taxpayers funding this project?

No, the developer is funding the whole project; TIF 10 only provides an incentive to make the project marginally investable. The incentive is funded solely from the new tax value created by the project itself.

TID 10's sole revenue source is the new tax increment created by the redevelopment itself, meaning the increase in property value above today's base value.

There is:

- **No** upfront payment from the City.
- **No** General Obligation borrowing.
- **No** pledge of the City's full faith and credit.
- **No** impact to the City's current operating budget.

If the project does not create new taxable value, reimbursement does not occur.

Q5. What happens if the commercial portion is not built?

The Development Agreement **requires** commercial development.

If the required commercial improvements are not completed within the contractual timeline, the City has the right to **acquire the commercial parcel for \$1. This ensures that the 76th Street corridor cannot remain underdeveloped or vacant in the long term if contractual obligations are not met.**

Q6. Why is this redevelopment being considered?

The site contains underutilized, aging commercial property and vacant land, with development constraints.

Redevelopment would:

- Replace obsolete structures
- Add residential density to support nearby retail
- Increase long-term tax base

TID 10 | FAQ for Poth's General Redevelopment

- Support broader economic activity

Without redevelopment, the property would likely remain at its current lower value, generating limited tax growth.

Q7. What financial risk does the City assume?

The incentive is structured as **pay-as-you-go** reimbursement and is payable **solely** from the tax increment **generated by the project**.

There is:

- **No** upfront City payment.
- **No** General Fund exposure.
- **No** pledge of the City's full faith and credit.

If the development does not generate taxable value, reimbursement does not occur. The City does not assume liability for repayment beyond the increment generated within the district.

Q8. What is the difference between TIF and TID?

These terms are often used interchangeably, but they technically mean different things.

TID (Tax Incremental District)

- A defined geographic area created by the City.
- Establishes the boundary where tax increment may be captured.

TIF (Tax Increment Financing)

- The financing mechanism.
- Uses the increased property tax value (the "increment") generated within a TID to pay eligible project costs.

In simple terms:

- **You cannot have TIF without first creating a TID.**
- The TID is the area (location).
- TIF is the financing tool used within that area.

The phrase "TIF District" is commonly used shorthand across Wisconsin municipalities, but legally speaking, the district created is a TID and the financing tool used within it is TIF.



TID 10 | FAQ for Poth's General Redevelopment

Q9. Does a TID Remain Even After Development Occurs?

Yes, until it is formally closed.

A TID remains active until:

- Eligible project costs are paid, and
- The district is formally closed in accordance with state law.

Once closed, the full property value flows to all taxing jurisdictions.

Q10. How long does the TID last?

TID 10 has a statutory maximum life of 27 years under state law.

However, the district may close once all project costs are paid for all projects. This could occur prior to the statutory maximum if the development outperforms projections.

After closure, all tax revenue flows fully to the underlying taxing jurisdictions.

Q11. Is it true that no property taxes will be paid on this property for 27 years?

No. *Property taxes continue* to be paid on the property **every year**. For reference, the property's base value is \$3,789,100, and \$62,217 in taxes were paid in 2025.

Here is how it works:

- The property's current assessed value **remains** on the tax rolls.
- Taxes on that **existing base value continue** to flow to all taxing jurisdictions (City, School District, County, etc.) just **as they do today**.
- **Only the new value** created by the redevelopment, the increase above today's base value, is captured within the TID.

That new value is called "tax increment."

The increment is used to reimburse eligible project costs until the district closes. After the district closes, all tax revenue, including the increment, flows fully to the underlying taxing jurisdictions.

There is NO period during which the property is exempt from taxation.

The property continues to pay the same tax rate as any other property in the City.



TID 10 | FAQ for Poth's General Redevelopment

Think of it this way: the property pays taxes today, it will continue to pay taxes tomorrow, and redevelopment adds additional taxable value on top of what already exists.

Q12. Does the project require new police or fire facilities?

No. The site is located *within existing service areas currently served* by the Franklin Police and Fire Departments.

Unlike some past TIDs, this project does not require constructing new public safety facilities. This site is within existing service areas that are already staffed and operational.

Q13. Does this affect the tax bills of the surrounding property owners?

No. Property tax rates are determined by total municipal levies and the overall equalized value of the tax base.

The creation of a TID does not increase the tax bills of surrounding property owners. It reallocates only the newly created value within the district for a limited time.

Q14. What is the current unit count?

The current proposal reflects a reduced unit count from earlier approvals and incorporates height and design modifications in response to public input and confirmed commercial projects. There are 292 residential units currently proposed, along with 4,000 square feet of commercial space.

Q15. Didn't the developer previously have approval for a larger project?

Yes. Earlier approvals allowed:

- Over 400 apartments.
- Taller, 4-story structures.

The current proposal reflects reductions and modifications based on public input, including:

- **Fewer** units (reduced by approximately 200+).
- **Lower** building heights.
- Design adjustments.

These changes impact the developer's bottom line but were incorporated to address community concerns.



TID 10 | FAQ for Poth's General Redevelopment

Q16. How will the development be kept from becoming obsolete?

The development will be operated by a professional property management company responsible for maintaining the residential and commercial components, including routine maintenance and building operations.

Like all private developments in the City, the property will remain subject to applicable City ordinances and property maintenance standards. Property owners also have a financial incentive to maintain the property because well-maintained buildings preserve rental demand and long-term property value.

Q17. What will the TID do to Taxes in the City?

Property taxes in the City are calculated the same as always. Only the new value created within TID 10 is captured as tax increment for the district for a limited time.

Q18. What uses will the north parcels in TID 10 have?

These parcels are currently zoned for commercial and multi-family residential use, with mixed-use as their future use. It is expected that development will generally reflect one of these designations.

Q19. What efforts were made to recruit other developers to redevelop the Orchard View Mall?

Outreach to developers is an ongoing City effort; a willing owner must engage interested developers. The original developer and owner typically did not sell properties until recently, and was approached by the current owner.

Q20. Why is vacant land in the project deemed blighted?

Some vacant land within TID 10 has a history of unpermitted fill, dumping, and encroached wetlands, which require mitigation and additional development costs to comply with City ordinances and State statutes.



TID 10 | FAQ for Poth's General Redevelopment

Q21. Who determines if TID 10's Blighted Designation

The City Council makes a legislative determination of blight based on conditions present in the district and documentation included in the project plan.

Q22. What happens if the developer sells the property?

The Development Agreement remains attached to the property and binding on future owners. Any reimbursement payments remain subject to the same performance-based requirements and cap.

Q23. What happens if the development does not perform as projected?

The reimbursement structure is performance-based and payable only from the tax increment generated by the project.

If the project generates less tax increment than projected, the developer's reimbursement is reduced accordingly. If the project does not generate an increment, no reimbursement occurs.

Because the incentive is structured as pay-as-you-go and is funded solely from the tax increment created by the redevelopment, the City does not assume repayment liability beyond the increment generated within the district.

Q24. Why does the City provide incentives for redevelopment projects like this?

Wisconsin's Tax Increment Financing law allows municipalities to use tax increment to encourage redevelopment that would not otherwise occur without assistance.

Projects that involve site challenges, environmental remediation, aging infrastructure, or high upfront costs may not be financially feasible under current market conditions without the use of TIF.

State law requires the City and the Joint Review Board to determine that the project meets the "but-for" test, meaning the development would not occur as proposed without the use of tax increment financing.

The goal of the incentive is to enable redevelopment that increases long-term property value, expands the tax base, and supports economic activity within the community.

TID 10 | FAQ for Poth's General Redevelopment

Q25. Who approves the creation of a TID?

The creation of a Tax Incremental District involves multiple levels of review and approval.

The City prepares a project plan describing the proposed district and redevelopment objectives. The plan must be approved by the City's Plan Commission and Common Council.

After local approval, the proposal is reviewed by a Joint Review Board consisting of representatives from the City, County, School District, Technical College District, and a public member. The Joint Review Board must approve the district before it can be created.

This process ensures that multiple taxing jurisdictions review and approve the district before it becomes effective.

Final Summary

- The City is not fronting funds.
- Reimbursement is performance-based.
- The incentive is capped.
- Commercial development is contractually required.
- No new value = no payment.
- Property taxes continue to be paid.
- The Joint Review Board must approve the but-for determination.
- After closure, all new value is permanently allocated to the City, County, School District, and Technical College.

This structure is designed to mitigate financial risk while enabling redevelopment that would not otherwise occur.