

TIFs, TIDs, & Taxes

The Triangle is in TID-5. What are TIFs and TIDs?

Tax Increment Financing (TIF), authorized under **Wisconsin Statutes § 66.1105**, allows the City of **St. Francis** to designate a specific area as a Tax Incremental District (TID) and use the *future increase* in property taxes generated within that district to pay for development-related costs. When a TID is created, the current property value inside the boundary is frozen. As new development increases property values, the additional tax revenue — known as the “increment” — is captured and used only within that district. During the life of the TID, that new revenue does not go to the City’s general fund, the county, or the school district; it stays inside the TID until the debt and project costs are paid when the TID ends. TID-5 is projected to close, based on current cash flow, in 2033.

The immediate effect of this structure is that the rest of the City continues to fund general operations — including schools, public safety, and municipal services — without access to the new growth occurring inside the TID. In practical terms, this can shift more of the short-term tax burden onto existing homeowners and businesses outside the district. While new buildings may be constructed, the broader tax base does not benefit from that growth until the TID closes. If citywide costs rise during this period, taxpayers outside the district may feel increased levy pressure because the increment is legally restricted from offsetting general expenses.

TID-5 was created on 7/21/2015 as a mixed-use district. TID-5 has an expenditure period that ends 7/21/2030 and a mandatory termination date of 7/21/2035.

Base Value \$80,881,500
Incremental Value (1/1/2024) \$243,001,200
Year End Fund Balance (2023) \$4,254,921
* Source Annual Tax Incremental District No. 5 Report Dated December 3, 2024

Residents should clearly understand that during the life of the TID, the financial benefits are deferred — and the responsibility for funding general city services largely remains with the rest of the community.

So what does this mean for the citizens of St. Francis?

HIGHER TAXES!

According to the 2024 Financial Statements, only 60% of the property taxes collected for the General Fund go to pay for the services needed. The other 40% is incremental value and goes directly into the TID. So 60% of the residents must fund 100% of police, fire, and school.

In St. Francis TID funds, there is another anomaly. I have researched TID funds for other cities. The City of St. Francis was the only city I found that has salaries expensed in the TID funds. These salaries and other fees are not used for funding a project.

Stay tuned for updates.

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