

... More on the Triangle Economic Development

1. TIF Does Not Reduce Taxes in the Short Term — It Often Increases Them

The claim that maximizing development inside a TIF district helps avoid raising taxes is misleading.

When a TIF district is created, the tax base inside the district is frozen. Any new tax revenue generated inside the district is **diverted away from the school district, county, and city operating budgets** and instead used to pay off development costs.

During the life of the district:

- Schools do not receive the tax revenue from the new development.
- The city's general fund does not receive the tax revenue.
- Other taxpayers must often cover increased service costs.

In fact, **new residential developments frequently increase municipal service costs**, including police, fire, schools, and infrastructure maintenance. Until the TIF closes, those costs are often borne by the rest of the community.

In short, TIF districts **shift tax burden in the short term**, they do not eliminate it.

2. Residential Development Is the Weakest Revenue Generator in a TIF

The argument assumes that any development will strengthen the city financially. That is not true.

According to the Urban Land Institute and other municipal finance studies show that **high-density residential development typically generates far less net tax revenue than commercial or mixed-use development**.

Residential developments:

- Require more services per tax dollar generated
- Add school district costs
- Generate less property value per acre than commercial uses

Retail, office, and hospitality developments typically generate **two to four times more tax revenue per acre** while requiring far fewer municipal services.

This matters because the Triangle is one of the **most valuable redevelopment sites in the city**, located along Lake Michigan and at a major gateway corridor. Using it primarily for apartments permanently limits the long-term revenue potential of the site.

3. The City's Own Plans Prioritized Commercial and Mixed-Use Development

The narrative suggests the Triangle project aligns with the city's plans. However, the city's own planning documents indicate a different vision.

Both the **2015 Comprehensive Plan** and the **2017 Future Strategic Development Plan** emphasize:

- Mixed-use development
- Commercial and retail activity
- Creating a destination along the lakefront corridor
- Expanding the commercial tax base

The plans repeatedly reference the need to create **economic activity, retail destinations, and community gathering spaces**, not large residential towers.

Apartments alone do not create the economic activity those plans envisioned.

4. The Triangle Is a Unique Lakefront Gateway — Not Just Another Vacant Lot

The argument frames the Triangle as simply "a long-vacant parcel." That ignores its strategic importance.

The Triangle sits at:

- Lake Drive
- Howard Avenue
- One of the most visible entrances to the city
- A key location along the Lake Michigan corridor

Sites like this are typically reserved for **high-value destination development**, such as retail districts, restaurants, public spaces, and tourism-oriented businesses.

Once a site like this is filled with residential buildings, the opportunity to create a true economic center is gone permanently.

5. TIF Was Designed for Economic Development — Not Primarily Housing

TIF was originally created to encourage **economic development and job creation** in blighted or underutilized areas.

While residential projects can be part of a TIF, districts dominated by housing often struggle financially because they lack the commercial tax base needed to generate strong increments.

Cities across Wisconsin have learned that **balanced mixed-use TIF districts perform far better financially** than residential-heavy ones.

6. Maximizing Development Is Not the Same as Maximizing Value

The narrative repeatedly refers to “maximizing development.”

However, **maximizing the number of units or buildings does not mean maximizing long-term value for the city.**

The real question should be:

- What type of development produces the strongest long-term tax base?
- What creates economic activity for local businesses?
- What aligns with the city’s planning documents?

Those questions deserve serious public discussion before a once-in-a-generation site is permanently committed to one use.

Conclusion

Everyone agrees the Triangle should be redeveloped. The real question is **how**.

Redeveloping one of the most important sites in St. Francis primarily as residential housing may produce short-term construction activity, but it risks **permanently limiting the long-term economic potential of the property.**

The city’s own plans envisioned something more ambitious: a mixed-use destination that strengthens the commercial tax base, supports local businesses, and creates a vibrant lakefront gateway.

That vision deserves careful consideration before decisions are made that cannot easily be undone.