

TIF in Wisconsin: The State's Most Powerful (and Most Misunderstood) Economic Development Tool

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This paper is written for Wisconsin's dealmakers, public and private, who are trying to build real projects in a real market. The objective is not to defend TIF as an ideology. It is to modernize a tool that already has statutory safeguards and a documented track record, but is no longer fully aligned with how development happens today. Costs are much higher, infrastructure is harder, and timelines are tighter. The margin for error is gone.

This paper is a practical look at where the current framework works, where it breaks, and what needs to change to keep Wisconsin competitive while maintaining discipline and public trust.

It answers three questions:

- Where are we today? A fact-based snapshot of how TIF works, what it funds, and what has changed in the market since the statute was codified.
- What needs to change? Targeted statutory updates that improve competitiveness, transparency, and risk discipline without turning TIF into a blank check.
- How does Wisconsin win? The goals are straightforward: more net new increment per dollar of public infrastructure, faster delivery of job sites and housing near jobs, and a performance profile that beats the Upper Midwest peer set.

A winning TIF framework is measurable. The state should openly promote a TIF Scoreboard with jobs created, housing units delivered, and the speed from district creation to private investment. Wisconsin can do this without adding bureaucracy because the data already exists in project plans, annual reporting, and DOR datasets.

Tax Increment Financing is one of the few economic development tools Wisconsin communities control directly. It touches jobs, infrastructure, housing, and taxes. It also drives some of the sharpest public disagreement in local government because many people know the term, but far fewer understand how it actually works.

The central point of this paper is simple: Wisconsin's TIF statute has not kept pace with the modern economy, and that gap is now large enough to create real competitive harm. [1]

Modernization does not mean expansion without discipline. It means capacity rules tied to actual exposure, a housing pathway that treats workforce housing as economic infrastructure, a predictable approval process, and clearer disclosure that rebuilds public trust without freezing competitive projects.

Key recommendations

- Risk-adjust the 12% equalized value cap so PAYGO districts do not consume scarce capacity the same way debt-backed districts do. [2]
- Create a dedicated workforce housing pathway that modernizes the 35% newly platted residential limitation when housing meets objective workforce criteria and includes clear guardrails. [1][14]
- Codify a plain-English disclosure standard for major TIF actions: what is being funded, how reimbursement works, what exposure exists, and when the district is expected to close.
- Reaffirm the Joint Review Board's role as the statutory accountability mechanism and reject

referendum overlays that inject uncertainty into a framework that already requires public process. [5]

- Activate donor TIDs as a forward strategy by identifying potential donor districts three to five years prior to closure and redeploying excess increment toward next-generation sites and workforce housing. [24]
- Integrate TIF strategy into comprehensive plans by aligning land use, infrastructure, and housing planning to accelerate approvals and improve project readiness. [25]

This paper relies primarily on statute, Wisconsin Department of Revenue guidance, public records, and recent reporting relevant to TIF governance. Where it recommends reform, it distinguishes between what the statute currently does and what NAIOP Wisconsin believes should change.

Back to the Basics - What TIF Is

Tax Increment Financing allows a municipality to pay for eligible public improvements by capturing the net new property tax value created inside a defined district, value that would not exist but for the project.

Tax Increment Financing is a pay-for-performance tool. A municipality designates a district, invests in public improvements or agreed reimbursements, and then uses the new property tax value created within that district, the increment, to pay eligible project costs over time. [1]

What TIF Is Not

TIF is not a diversion of existing property taxes. The base value at creation continues to fund schools, counties, and technical colleges exactly as it did the day before the district was created. [1]

It is not a blank check. Eligible costs, maximum expenditures, and district boundaries are defined in an adopted project plan, with statutory limits and required findings. [1]

Three questions every credible TIF should answer up front

- 1) But-for: Would the development and its taxable value occur at the same scale, on the same timeline, and in the same location without TIF? [1]
- 2) Public purpose: What public works, utilities, remediation, site preparation, or other eligible improvements are being funded, and why do they matter to the broader tax base? [1]
- 3) Protection: What caps, safeguards, reporting, and exit ramps limit downside risk to taxpayers and overlying jurisdictions? [1]

Wisconsin's TIF Toolbox: District Types, Eligible Costs, and Practical Use

Wisconsin statute authorizes multiple district types, including industrial, mixed-use, blight elimination, environmental remediation, and town TIDs, each with a different policy rationale and different time limits. DOR's TIF Manual provides a practical guide to how those district types work. [6]

The statute's differentiated structure is worth preserving. The problem is not that Wisconsin created different district types. The problem is that several of the most important rules inside the framework no longer line up well with today's market.

The project plan is the backbone of lawful TIF spending. Eligible costs must be clearly defined, documented, and approved through the statutory process. The framework provides flexibility, but it depends on disciplined underwriting and governance to function as intended.

Wisconsin's TIF Record

Wisconsin's long history with tax incremental financing provides a clear view of how the tool has performed in practice. Since 1975, more than 2,700 TIDs have been created across the state, and approximately 1,400 were active as of 2025. In effect, roughly half of all districts created since the program began have already completed their lifecycle and returned value to the tax base. [21]

The data reflects a system that is functioning largely as intended. Wisconsin Department of Revenue reporting places the average lifespan of terminated districts at approximately 17 years, well within the statutory range for most district types. [21]

TIF is not a perfect system, and its performance is influenced by economic cycles and product mix. Following the Great Recession, DOR identified 88 districts as distressed and 18 as severely distressed, for a combined total of 106 districts. [21][22]

Viewed against the full statewide dataset, that represents approximately 4 percent of all TIDs created since 1975, with severely distressed districts representing less than 1 percent of the total. [21][22]

The takeaway is straightforward. TIF has not produced identical outcomes in every case, nor should it be expected to in a market-driven system. But the statewide record shows that the overwhelming majority of districts generate increment, repay infrastructure investments, and ultimately return value to the tax base. Variability is more often tied to timing, market conditions, and project assumptions than to a flaw in the underlying tool.

LakeView Corporate Park, The Prototype

LakeView is a useful case study because it is closed out and the outcomes are part of the public record. The Village invested approximately \$218 million in eligible public infrastructure to unlock LakeView Corporate Park East and West and related districts. The closeout reflects nearly \$1 billion of new value added to the Village tax base, more than 10 million square feet of development, and more than 4,750 jobs across manufacturing, distribution, office, retail, and service users within the TID districts at closeout. [11]

The TIF created real go-to-market readiness: site access, utilities, and enabling infrastructure that made private investment financeable at scale. That is the intended economic development use of TIF, documented public costs tied to net new increment with measurable outcomes.

LakeView is a strong Wisconsin benchmark because it shows the full cycle of TIF at scale: public infrastructure first, private development next, and then a materially larger tax base returned to the rolls.

Scale: commonly cited as a 2,400-acre business park, with more than 10 million square feet of development and employment exceeding 8,500 jobs across approximately 80 companies inclusive of areas and phases beyond the specific TID boundaries. [3]

The TIF outcome: Pleasant Prairie's TID #2 closed with roughly \$1.0 billion in value within the district and approximately \$13.5 million in remaining debt retired at closeout after about 23 years. That is what self-liquidating looks like in practice. [4]

The most important outcome came after the district closed. When TID #2 was retired, the full value of the district returned to the tax rolls and began contributing to all overlying taxing jurisdictions. Pleasant Prairie's adopted 2023 budget reflects that shift directly: the Village mill rate declined from \$4.68 in 2022 to \$3.71 in 2023, and the median-valued home was projected to see a reduction of approximately \$39 in total property taxes. The Village explicitly attributed that change primarily to the retirement of TID #2 and the return of increment to the tax base. [23]

That is the full TIF equation in practice. The community front-loaded infrastructure to enable development, the private market responded with investment and job creation, and, at closure, the resulting tax base reduced pressure on existing taxpayers while increasing revenue available to local governments and schools.

That is why LakeView continues to be referenced in statewide discussions as a best-in-class example of how TIF, when structured and executed properly, can grow a community and deliver long-term taxpayer benefit.

Why This Matters Now

The criticism aimed at TIF often ignores what has changed: construction costs, infrastructure requirements, and project scale. When the market moves and the statute does not, Wisconsin loses speed, and speed is a competitive advantage.

In Wisconsin, the debate is no longer whether TIF should exist. The question is whether the framework keeps pace with modern project economics while remaining disciplined, auditable, and legible to the public. [1][2]

Cost is the driver. Over the last five years, site-ready development has been hit from every side: labor, materials, utility extensions, stormwater requirements, and roadway work. A commonly cited commercial benchmark, Turner's Building Cost Index, rose from 1,149 in Q2 2019 to 1,459 in Q1 2025, an increase of roughly 27 percent. This increase also excludes project specific infrastructure costs, which in many cases have risen even faster. [12]

Residential is on the same trajectory. NAHB's Cost of Construction Survey shows construction cost per square foot rising from \$114 in 2019 to \$162 in 2024, about 42 percent, with total construction cost for the typical new single-family home at \$428,215. [13] When costs rise materially faster than wages, projects that once worked without assistance no longer clear underwriting. In that environment, TIF shifts from a nice-to-have to a make-or-break tool for catalytic development, provided it is structured with discipline and transparency.

How Wisconsin Approves TIF

TIF in Wisconsin is not a discretionary or opaque process. It is governed by a defined statutory framework that includes a project plan, public hearing, plan commission review, municipal approval, and oversight by a Joint Review Board representing overlapping taxing jurisdictions. Annual reporting and Department of Revenue oversight are also required. [1][6][8][9]

The issue is not the absence of process. The issue is how well that process is understood.

Recent debate, including in Port Washington, has raised the question of adding referendum-style approvals to individual TIDs. NAIOP Wisconsin joined litigation on this issue not to protect a single project, but to address precedent. Wisconsin already has a structured approval process. Adding a parallel layer of approval introduces tremendous uncertainty into timelines and financing. A local referendum requirement for TIF is, in effect, a deal killing poison pill.

Economic development competes on speed, predictability, and infrastructure readiness. When approvals become open-ended or subject to repeated political processes, projects do not wait. They move. The answer is not additional layers of approval. It is clearer communication within the framework that already exists. That means better disclosure of project costs, risks, and expected outcomes in plain language that can be understood by the public.

Improve Public Transparency

Transparency is not a new requirement in Wisconsin's TIF framework. The state already requires project plans, public hearings, Joint Review Board approval, and ongoing reporting. The issue is not access to information. It is usability. Most TIF disclosures are written for compliance, not comprehension, which makes it difficult for taxpayers, elected officials, and even stakeholders to quickly understand what is being funded, how reimbursement works, what risk exists, and when the district is expected to close. Wisconsin can fix this without adding bureaucracy. A standardized, one-page, plain-English disclosure for major TIF actions, combined with a simple statewide scoreboard of

outcomes such as jobs created, housing units delivered, and time to investment, would make the system legible without slowing it down. The data already exists. The opportunity is to present it clearly. Appendix A through E provides a practical, ready-to-use framework for implementation, including a model one-page disclosure, portfolio-level reporting, and standardized approval and risk references.

The 12% Cap: A Safeguard That Became a Blunt Instrument

Wisconsin limits the total equalized value that can be contained within a municipality's TIDs to 12% of the municipality's total equalized value. DOR describes how the limit is calculated and applied.[7] The cap treats all districts the same regardless of whether the municipality is issuing general obligation debt or using PAYGO. That is the core inconsistency. The cap is intended to manage exposure, but it does not actually differentiate exposure.

PAYGO is a fiscally conservative structure and deserves different treatment in statute. Under a typical PAYGO structure, the developer assumes the risk of financing improvements upfront and is reimbursed over time from the incremental property taxes generated by the project, subject to performance and over a negotiated term. At the same time, the state should avoid creating a blunt incentive that pushes every community toward PAYGO, especially when a project requires major up-front backbone infrastructure.

A modern framework should distinguish between project specific reimbursements that can reasonably be structured as PAYGO and catalytic infrastructure investments such as roads, major utility corridors, substation readiness, and stormwater basins that often require lower cost, upfront capital best delivered through general obligation bonding.

What moves the market is not theory but execution: combine PAYGO incentives with tools that address timing and exit constraints, including assignment provisions, clear repayment schedules, and optional take-out mechanisms once a site stabilizes.

What cap constraints do in the real world:

- Artificial scarcity: communities ration TIF capacity as if every district carries the same risk.
- Distorted sequencing: municipalities delay catalytic projects in order to preserve capacity for unknown future priorities.

Wisconsin's 12 percent equalized value cap was designed as a safeguard. In practice, it now functions as a growth throttle for communities that are already economic engines, often the very places the state needs to absorb business expansion and housing demand.

Cap pressure is real, and it is hitting the communities that drive Wisconsin's job base.

DOR's 2025 TIF Value Limitation Report shows how quickly high-performing communities can run into the 12 percent ceiling:

- Village of DeForest: 24.94% (TID current value \$664,476,300; increment \$641,465,300; total municipal equalized value \$2,572,166,800). [7]
- City of Oak Creek: 13.24% (TID current value \$911,203,100; increment \$845,760,700; total municipal equalized value \$6,385,876,600). [7]
- City of Kenosha, (approaching the cap) : 9.85% (TID current value \$1,350,355,900; increment \$1,241,543,400; total municipal equalized value \$12,607,476,900). [7]

These are not marginal communities. They are regional employment centers and tax-base drivers. If the statute constrains their ability to build the next generation of development sites, Wisconsin's statewide competitiveness takes the hit. When high-performing municipalities cannot stand up a new TID, Wisconsin does not save money. It often loses projects and forces a choice between basic municipal services and the enabling infrastructure that keeps the tax base growing. The cap becomes a blunt instrument that ignores project structure and ignores the closure timing of mature districts. [2][7][8][9]

This raises a fair question: should higher-growth communities be allowed a higher percentage of value within TIF? The answer is not a patchwork of exceptions. The answer is to align capacity with performance. The current 12 percent cap is a uniform constraint applied to very different communities. It does not distinguish between municipalities with stagnant growth and those consistently generating new value, closing districts on schedule, and reinvesting increment into productive infrastructure.

A more effective approach is a performance-based framework that allows additional capacity for communities that demonstrate disciplined and productive use of TIF. That framework should be tied to objective measures that already define successful districts today: sustained growth in equalized value, a track record of districts closing within statutory timelines, consistent private investment leverage from public infrastructure, and the use of risk-aligned financing structures such as PAYGO where public exposure is tied to realized increment.

The policy objective is not to allow more TIF for its own sake. It is to ensure that communities delivering measurable results, jobs, tax base growth, and successful district closure, are not constrained from competing for the next generation of investment. The goal is not to weaken the cap. It is to refine it.

Workforce Housing Is Economic Infrastructure

Workforce housing is not a side issue. It is economic infrastructure. If Wisconsin wants to land and keep major employers, housing supply near jobs must scale with employment growth, and the public infrastructure that enables that housing must be financeable. Financing residential development with TIF has historically been complicated. On the surface, adding more rooftops to a community also increases demand for schools, police protection, fire protection, and other public services. In Wisconsin, much of that local support is funded through property taxes. During the life of a TID, however, the incremental tax revenue generated by new development is typically dedicated to repaying the bonds issued to finance infrastructure improvements.

At the same time, rising construction costs, borrowing rates, and site preparation expenses have in many markets outpaced achievable rents. When that happens, otherwise viable apartment developments may not be financeable without some form of public participation. In those situations, municipalities sometimes use TIF to help close the financing gap through infrastructure investment or structured reimbursements tied to project performance, subject to the statutory but-for test.

As a guardrail against excessive residential development within TIF districts, Wisconsin established what is commonly referred to as the 35 percent rule. State law allows mixed-use TIDs, but it limits the share of a district's land area that may be devoted to lands proposed for newly platted residential use. Importantly, this is not a floor-area test and it is not a value test. It is an acreage test. [1][14]

In plain English:

- The denominator is the total land area inside the TID boundary.
- The numerator is the land area proposed for newly-platted residential use.
- It is measured by land area, not by apartment units, building square footage, or assessed value.

Why this matters: an 80-acre newly platted subdivision pushes the test quickly. A multi-story apartment building with ground-floor retail can be mostly residential by square footage while still sitting on a relatively small lot footprint, so it may read as mostly apartments to the public yet remain compliant because the acreage share stays under the threshold.

Affordability: a definition that must be real

Any workforce-housing reform must define "workforce" in a way that is measurable. A common anchor is the affordability standard used across housing policy: housing costs at or below 30% of household income.

Wisconsin's median household income is approximately \$77,485, measured in today's dollars based on data from 2020 through 2024 [15] Using the 30% affordability benchmark, that implies an all-in housing

cost of roughly \$1,937 per month for a median household. That estimate also assumes a two-income household at the statewide median. Many workers who support Wisconsin's economy earn well below that level, meaning the practical affordability threshold is often lower.

For this reason, workforce housing is typically defined using Area Median Income (AMI) bands. Housing policy programs commonly target households earning between 60% and 120% of AMI, which broadly captures working households that earn too much to qualify for traditional subsidized housing programs but still struggle to access market-rate housing near employment centers. For a household at 80% of Wisconsin's median income, for example, the 30% affordability benchmark would translate to an all-in housing cost closer to \$1,550 per month.

Municipal policy frameworks are increasingly using these AMI bands to define workforce housing more precisely. The City of Milwaukee recently adopted housing TIF guidance focused on units affordable to households roughly within the 60 percent to 100 percent AMI range, reflecting the core of the city's working population. This includes teachers, firefighters, police officers, healthcare staff, municipal employees, production workers, and logistics employees. [18]

The relevance to TIF policy is straightforward. When employment growth occurs in commercial corridors or redevelopment districts, the housing demand generated by those jobs frequently falls within these workforce AMI bands. Without tools that allow communities to support housing within that range, job growth can outpace housing supply, creating affordability pressures and longer commuting patterns that ultimately undermine the economic development objectives that TIF districts are intended to support.

A Step Forward

Wisconsin has taken a meaningful step toward modernizing its TIF framework with the enactment of SB 480 / AB 451 (2025 Wisconsin Act 235), which authorizes a new form of residential Tax Increment District focused primarily on supporting owner-occupied housing development.[19][20] This legislation reflects growing recognition that housing availability is directly tied to economic competitiveness, particularly the ability to attract and retain teachers, healthcare workers, first responders, and industrial employees near job centers. At the same time, the current structure is intentionally narrow in scope and does not yet provide a comprehensive solution for the full spectrum of workforce housing needs.

The legislation does four things that matter to the development community.

First, it allows municipalities to create TIDs that are primarily residential. This removes the need to force projects into a mixed-use structure to comply with the 35 percent rule and creates a cleaner path for housing development. [19][20]

Second, it is targeted to owner-occupied housing, primarily single-family and duplex products with size and lot standards aimed at workforce price points. It is a meaningful step for ownership housing, but it does not broadly expand TIF eligibility for market-rate multifamily. [19][20]

Third, it is structured as a pay-as-you-go tool. The developer funds the infrastructure up front and is reimbursed over time from the tax increment generated after the homes are built and assessed. Reimbursement is not tied to home sales. It is tied to actual tax increment. If value is not created, reimbursement does not occur. [19][20]

Fourth, it creates a separate capacity lane. These districts do not count against the traditional 12 percent cap and are instead subject to a separate limit, generally around 3 percent of equalized value. This allows communities to support housing without displacing capacity needed for employment-driven TIDs. [19][20]

From a real estate standpoint, the structure is straightforward. In a 150-lot subdivision, once the project is built and stabilized, the homes generate ongoing tax increment. That increment is shared based on the negotiated development agreement until eligible infrastructure costs are repaid. The developer may be sold out of the homes, but the reimbursement continues because it follows the tax base, not the sale of the product.

The impact is practical. It lowers the front-end cost barrier to delivering ownership housing, aligns housing delivery with job growth, and limits municipal risk by tying reimbursement to performance.

This is a meaningful step forward. It also reinforces a broader point in this paper: Wisconsin is adapting its TIF framework to modern development patterns, but it is doing so through targeted updates. The opportunity now is to build toward a more consistent, performance-based system that can address housing, jobs, and infrastructure together.

More Work to Do

Recent proposals have included increasing the residential share in mixed-use TIDs from 35 percent to 60 percent if the additional 25 percent is workforce housing. [2] That would be helpful, but it would not fully solve the underlying issue. If the policy objective is to increase the supply of housing units, the statute still requires districts to be structured as mixed-use TIDs rather than allowing housing-focused districts where residential development is the primary outcome. In practice, that can force communities to introduce non-residential elements that are not economically necessary simply to satisfy the statutory structure.

Another underutilized component of Wisconsin's TIF statute is the Affordable Housing Extension mechanism, which already provides municipalities with a limited pathway to direct TIF revenue toward housing production. Under current law, a municipality may extend the life of a TID for one additional year if the increment collected during that extension is used for affordable housing purposes. At least 75% of the increment must be directed to affordable housing, with the remaining portion permitted for housing more broadly. The Wisconsin Department of Revenue provides clear guidance on how this extension must be structured, including reporting requirements and documentation of how the funds are ultimately deployed. [10]

The policy rationale behind this provision is straightforward. In many communities, TIF districts generate increment after their original project costs have been paid. Rather than immediately dissolving the district and returning the full tax base to the rolls, the statute allows one additional year of increment capture to help address housing needs within the community. Because the infrastructure that enabled development has already been financed, the extension effectively allows a portion of the incremental tax revenue created by growth to be reinvested into housing supply.

A practical example can be found in the City of Waukesha, which adopted an Affordable Housing Extension Resolution in 2025 for TID 22 (created May 21, 2013), directing the additional year of increment toward affordable housing initiatives within the community. [16] This is not a one-time application. According to the City's 2024 Housing Affordability Analysis, Waukesha also used a one-year extension of TID 14 to help fund an Affordable Housing Rehabilitation Loan Program launched in 2022, along with other funding sources. [17]

The significance of the Waukesha example is not that a one-year extension solves a housing shortage. It demonstrates that municipalities are already using existing statutory tools to reinvest increment into housing. The limitation is scale. A single year of increment produces a modest amount of capital relative to the level of housing demand in many Wisconsin communities, particularly those experiencing strong job growth.

If Wisconsin expands mixed-use housing capacity, it should do so with discipline:

- Use objective workforce criteria (AMI bands, documented local housing gap, and defined affordability duration).
- Prefer PAYGO or capped-risk structures where possible, especially for housing-linked reimbursement.
- Require clear reporting: units delivered, affordability terms, duration, and compliance mechanism.

Do not pretend subdivisions are ‘mixed-use.’ Ownership-oriented subdivisions are valuable, but they are rarely compatible with mixed-use TIDs under an acreage test; the law should acknowledge that reality instead of forcing municipalities into boundary gymnastics.

Donor TIDs: Recycling Success Into Future Growth

One of the consistent challenges in economic development is timing. Communities often have infrastructure needs for the next phase of growth at the same time they are nearing capacity limits or facing constraints on new borrowing. At the same time, mature TIDs that have performed as intended are generating excess increment after their original project costs have been repaid.

Wisconsin’s TIF statute already includes a mechanism to redeploy success. Through allocation amendments, a district that has generated sufficient increment to pay its own project costs can transfer excess increment to another eligible district with the same overlying taxing jurisdictions. [24]

In practice, donor TIDs allow communities to convert past performance into new infrastructure investment without increasing debt exposure. A mature district that has effectively won can become a funding source for the next phase of development. In a constrained fiscal environment, donor TIDs represent one of the most immediate, low-risk ways to finance new development without expanding public exposure. [24]

Three practical improvements would increase their impact:

- Proactive identification: communities should identify potential donor districts three to five years prior to closure and determine where excess increment can be redeployed. This should be part of a broader TIF and infrastructure strategy, not an end-of-life decision.
- Strategic targeting: donor increment should be directed toward projects that unlock the next phase of economic growth, including employment sites, infrastructure-constrained industrial land, and workforce housing near jobs.
- Policy clarity: The State should provide clearer guidance or model frameworks for donor TID use, including standardized allocation structures and reporting, to improve consistency and adoption across municipalities.

The broader point is simple. Wisconsin already has a mechanism to extend the life-cycle value of successful TIDs. The next step is to use it deliberately.

Integrating TIF into the Comprehensive Planning Process

Wisconsin law already requires municipalities to adopt comprehensive plans that address land use, housing, economic development, infrastructure, and implementation. TIF sits at the intersection of all of those elements, yet in practice it is rarely planned for in a deliberate way. [25]

Integrating TIF into the comprehensive planning process does more than improve internal alignment. It creates a more competitive and transparent development marketplace. When a community clearly defines where it intends to invest, what infrastructure will be supported, and how TIF will be deployed, it removes uncertainty and allows multiple developers to compete on a level playing field using the same information. That competition produces better outcomes: more disciplined underwriting, more efficient use of public dollars, and stronger project execution. [25]

This approach can be implemented within the existing planning framework without creating a new layer

of regulation. Communities that actively use TIF should incorporate a defined TIF strategy into their plans, identifying priority development areas, infrastructure gaps, and a sequencing plan for district creation. Pre-identifying these areas also creates the opportunity to streamline approvals for projects located within planned TID districts, reducing delays that drive up costs. [25]

The State can reinforce this behavior by creating incentives, whether through grant scoring, infrastructure funding, or policy preference, for municipalities that demonstrate proactive, coordinated TIF planning tied to job growth and workforce housing. [25]

The objective is simple: move from reactive use of TIF to planned deployment. Communities that do this well will move faster, attract more competitive proposals, and deliver stronger long-term outcomes for both employers and taxpayers.

How Wisconsin Wins

The question is straightforward: how does Wisconsin win the next generation of economic development competition?

First, generate a strong net-new tax base for every dollar of infrastructure invested. TIF works when public investment unlocks private capital, expands the tax base, and produces districts that close on schedule with value returned to the rolls.

Second, deliver job-ready sites and workforce housing faster than competing states. Site selectors prioritize infrastructure readiness, utility capacity, and housing availability. Communities that can move from control to construction within 12 to 24 months have a clear advantage. The same is true for housing. Job growth cannot outpace the supply of housing.

Third, outperform the Upper Midwest peer set. States like Indiana, Michigan, Ohio, and Minnesota are aligning infrastructure, housing, and capital to win projects. Wisconsin must do the same while maintaining fiscal discipline.

TIF has served Wisconsin well for decades. The issue is not whether it works. The issue is whether it is aligned with how development happens today.

Modernization should follow four principles. Align capacity with risk so lower-risk structures are not treated the same as debt-backed districts. Preserve a predictable approval process while strengthening transparency. Treat workforce housing as economic infrastructure. Communicate clearly so the public understands what is being funded, what risk exists, and how projects close.

Wisconsin is experiencing a rare moment of economic momentum. The decisions made now will determine whether communities have the tools necessary to capture long-term investment, deliver infrastructure, and expand the tax base while maintaining public trust. With thoughtful modernization, clear guardrails, and practical implementation, Wisconsin's TIF framework can continue to serve as one of the state's most effective tools for responsible growth. Execution matters. Tools must be practical and consistent. NAIOP Wisconsin intends to be a constructive partner by supporting legislative discussion and advancing clear, real-world understanding of how TIF works.

The Appendix – TIF 101

Appendix A: The Plain-English TIF Summary Template

Why this exists: Wisconsin law already requires project plans, findings, public hearings, and DOR reporting. [1] What is missing is a standardized, plain-English summary that lets taxpayers compare districts quickly without reading a 50-page plan. This model is intended to be a best-practice add-on, not a statutory rewrite.

Potential reservations from municipal staff: (i) fear of oversimplification, (ii) concern that standardized fields will be used to score districts without context, and (iii) staff time. The answer is not to avoid disclosure; it is to standardize the *minimum* fields and let each municipality add context.

Municipalities and project teams should publish a one-page summary for major TIF actions. Suggested fields:

- District name/type and map reference
- Problem statement (“what does this enable?”) and ‘but-for’ rationale in one paragraph
- Eligible project costs by category (infrastructure, remediation, public facilities, etc.)
- Reimbursement structure (PAYGO vs. debt-backed) and municipal exposure statement
- Performance triggers (what must occur before payments are made)
- Expected termination year and closure strategy
- Estimated overlying tax jurisdiction impacts
- Public process timeline (hearing dates, resolutions, JRB decision date)

This dashboard concept has not historically been required in Wisconsin statute. It is a portfolio-level complement to district-by-district reporting, useful because cap decisions and risk are portfolio questions, not single-district questions. [7][8][9]

Agency reservations are predictable: data consistency, comparability, and administrative burden. DOR already publishes cap-related data annually through its value limitation report. Aligning municipal disclosure fields to those datasets reduces burden and improves comparability. [7]

Appendix B: Portfolio Disclosure (Model Dashboard Fields)

- Total active TID increment and percentage of equalized value (cap utilization)
- Split of districts by structure (debt-backed vs. PAYGO)
- Top five districts by exposure and by increment
- Expected termination years (distribution) and plan to close / recycle capacity
- Annual increment trends (five-year) and sensitivity notes

Appendix C: TIF Approval Timeline

For stakeholders evaluating transparency claims, the point is simple: there is a process.

Step	Decision-maker	What happens
1. Public hearing	Planning Commission / Redevelopment Authority	Public hearing on the proposed district boundary and project plan; residents and overlying jurisdictions can comment.
2. Planning approval	Planning Commission	Commission approves (or denies) boundary/project plan and forwards it to the legislative body.
3. Municipal creation resolution	Common council / village board / town board	The legislative body adopts the project plan and creation resolution after the required waiting period; this is the official

Step	Decision-maker	What happens
		creation date.
4. JRB review & vote	Joint Review Board	JRB evaluates statutory criteria ('but-for', benefits vs. costs) and approves/denies within statutory timeframes.
5. DOR certification & reporting	DOR + Municipality	Municipality submits required documents; annual reporting continues through life of the district.

Appendix D: Risk Matrix

Policy should be grounded in risk. The table below illustrates why a district that reimburses only from realized increment, PAYGO, is structurally different from a district that issues debt backed by a municipal pledge.

Structure	Upfront funding	Who bears underperformance risk?	Typical taxpayer exposure
PAYGO (increment-only)	Developer fronts costs; reimbursement only from increment	Developer (payment only if increment exists)	Low, if agreement is increment-only and no debt is issued
Debt-backed TID (GO or revenue borrowing)	Municipality borrows upfront	Municipality / taxpayers if increment underperforms	Higher; depends on pledge and coverage
Hybrid (partial borrowing + PAYGO)	Shared	Shared	Moderate; depends on structure
Grant-like structures / cash grants	Municipality pays regardless of increment timing	Municipality	Higher; requires strong guardrails and justification

Appendix E: Overlying Jurisdictions

One of the fastest ways TIF loses public legitimacy is when people hear 'the school district loses money.' The reality is more technical, and the explanation has to be honest without being evasive.

A TID does not eliminate the base tax revenue stream to overlying jurisdictions. The base value continues to be taxed and distributed normally. The increment is captured into the district's special fund for eligible costs. The practical question is: during the life of the district, how does increment capture affect levy rates and budget dynamics for overlying jurisdictions?

Three communication points that are both accurate and understandable:

- Base value remains: the property tax base that existed at TID creation continues to flow to all taxing jurisdictions.
- Increment is a timing mechanism: the value growth above the base is temporarily captured to pay eligible project costs and then returns to the rolls at closure.
- Impacts vary by context: levy effects depend on district size, growth in the broader tax base, and the timing of district closure.

Appendix F: LakeView Corporate Park, Documented Outcomes

LakeView is one of Wisconsin's most frequently cited, long-horizon examples of TIF used to assemble land, deliver infrastructure, and convert a low-value tax base into a durable employment corridor. The summary below relies on publicly posted Village communications and regional economic development reporting that are verifiable and widely referenced in Wisconsin's TIF debate.

Key documented facts

Metric	Documented figure
District	Pleasant Prairie Tax Incremental District No. 2 (created 1999; closed 2022; 23-year maximum life)
Pre-TID base value (land)	Approximately \$7 million
Public infrastructure investment (TID 2)	Nearly \$218 million
New property values created within the district	Nearly \$1 billion
TID 2 building area	Over 10 million square feet of buildings
TID 2 jobs	Over 4,750 jobs across multiple sectors
LakeView Corporate Park footprint	2,400 acres (development began 1988)
LakeView park-level outcomes	More than 8,300 jobs and nearly 11 million square feet (manufacturing/warehouse/office/retail)
TID 2 close-out status	Board approved termination resolution (02/14/2022); final debt payment and admin costs noted as nearly \$13.5 million

Why this matters to statewide TIF policy

- Duration and discipline: TID 2 reached its statutory maximum life and closed through a formal board action. This is the opposite of “open-ended” financing.
- Scale: The reported change from a \$7 million pre-TID base to nearly \$1 billion of new value demonstrates the tax base creation that can occur when infrastructure is solved at district scale.
- Governance: The district was amended multiple times over its life to match development realities, reinforcing the importance of documented amendments, public deliberation, and state reporting.

Sources used for Appendix F

Village of Pleasant Prairie, “TID 2 Closing” (posted 02/15/2022).

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- Kenosha Area Business Alliance (KABA), reporting on LakeView outcomes.

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- [22] Wisconsin Department of Revenue, 2024 Distressed and Severely Distressed Tax Incremental Districts report and related 2024 TID reporting summaries.
- [23] Village of Pleasant Prairie, 2023 General Fund Budget, adopted November 28, 2022.
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