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FOR INFORMATION CALL

January 9, 2011

Ald. Jim Bohl
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Attorney General Opinion Opens Door for City's TID Districts Local Street Work Solution

In 2009, Alderman Jim Bohl crafted the idea of amending tax incremental district (TID) boundaries in the city of Milwaukee to take advantage of a changed state law that enables the city to fund road projects up to ½ mile outside of an original TID project area. The ensuing legislation Ald. Bohl sponsored, which won overwhelming support on the Common Council, was seen as an ingenious way of funding desperately needed city street reconstruction projects and providing valuable training and job opportunities for city residents, without resorting to an increase in property taxes or reduction in other city services. Ald. Bohl's efforts were driven by the need to enhance revenues for local road projects which were determined years earlier to be on a 163-year replacement cycle. An ensuing independent audit of the city's local roads program, also sponsored by Ald. Bohl, recommended a number of policy options for the city to play catch up from years of insufficient road funding, and all required the city to significantly increase funding well beyond what was and is being done.

The ability to employ the approved policy change, however, has been delayed as the city and the TID-approving Joint Review Board (JRB) have waited almost two years for Wisconsin Attorney General J.B. Van Hollen to weigh in on the validity of amending existing TIDs for enhanced road purposes.

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TIDS for Roads/ADD ONE

The original request for opinion was made by the Milwaukee County Corporate Counsel at the behest of the Milwaukee Area Technical College in March of 2010. In it, the Corporate Counsel queried whether a JRB could amend an existing TID to pay for non-TID dedicated street paving work if the intent was to free up street paving dollars in the city's regular capital budget.

Attorney General Van Hollen ruled that "freeing up" dollars wasn't a valid legal basis for amending an existing TID, but clarified, saying that this does not stop a JRB from doing so. Van Hollen stated further that any amendment to the TID must be in line with the overarching purpose of the TID.

Ald. Bohl touted the December 20, 2011 opinion as giving the city and JRB a cautionary approval to now move forward with the TIDs for Roads concept. Ald. Bohl stated that he has a meeting set up with the City Attorney and DPW officials to craft a TIDs for Roads plan that will meet the objective of the statutes while meeting DPW's needs for enhanced road projects. Alderman Bohl said such a plan would require the city to be more discriminating in its selection process but could be tailored to ensure that any targeted roads chosen for revamping directly impact the original TID area and project objective.

"The expected new plan guidelines will likely reduce the potential scope of roads that can be selected for a reconstruction under an amended TID," said Ald. Bohl. "The very fact that we can move forward on this at all, however, is a positive for improving road conditions in the city and a win-win for taxpayers."

Ald. Bohl said, in his view, the original question asked of the Attorney General showed that the requestors didn't understand the real intent of the TID for Roads resolution. "The intent was and is to enhance road repairs in areas adjacent to existing TIDs and to use the same unique funding method that created the TID to do it," said Ald. Bohl. "The goal of proposing amended TIDs isn't to free up monies for road projects in other areas of the city, though that certainly would be a positive outgrowth from doing this." Roads reconstructed as part of an amended TID will not have to rely on the city's capital budget for financing, allowing for those otherwise earmarked funds to support other needed road repairs in the city.

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TIDs for Roads/ADD TWO

“We’ve conducted a series of studies that reveal we’re significantly behind in our road repair work in the City of Milwaukee and the recommended funding levels for capital repairs are not where they should be,” said Ald. Bohl. “Given that our city’s future revenue projections are pointing downward, we need to be as creative as we can to address this problem.”

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