



# JOHN SPIROS

State Representative • 86th Assembly District

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**Testimony on Assembly Bill 377  
Assembly Committee on Ways and Means  
Tuesday, October 12, 2021**

Hello, and thank you Chairman Macco and members of the Assembly Committee on Ways and Means for allowing me to share my testimony with you regarding Assembly Bill 377, which extends the life of Tax Incremental District (TID) #1 in the Village of Marathon City.

The Village of Marathon City created TID #1 in 2002 to provide public infrastructure for industrial and commercial development in the areas to the north and south of State Highway 29 and east of the Big Rib River. Initial development began in 2003 in the TID area south of State Highway 29 and was completed in 2019. This area of land is almost fully developed, with only 2 buildable parcels remaining. Now, the Village of Marathon City is looking to continue development on the north side of State Highway 29. However, the TID #1 expenditure period closed in January of 2020.

The Great Recession took a great toll on continuing development in the TID district and delays occurred. The delays included the construction of a second water service main crossing the Big Rib River; the construction of a connecting interior business park road; the construction of water and sanitary sewer infrastructure to support industrial, commercial, and residential growth; and the construction of an industrial service road north of Highway 29 that would provide access to an additional parcel of land containing over 50 acres for development. The Village of Marathon City would now like an extension on the expenditure period for TID #1 to complete these projects. Senate Bill 391 will extend the expenditure period for TID #1 to January 2023 and the maximum life of the TID to January 2035 to provide time for the cash flow to cover project expenses.

The bill already had a good hearing in the Senate and we hope that it will be voted on soon.

Thank you again for allowing me the opportunity to share testimony in support of this bill, and I welcome any questions you might have.



## Opening Statement to the Assembly Committee on Ways and Means

October 12, 2021

The Village of Marathon City would like to thank for authoring Representative Spiros and Senator Petrowski for co-sponsoring AB 377 extending the life, tax increment allocation and project cost expenditure period for Tax Increment District Number 1 in the Village of Marathon City. This bill and its companion bill in the Senate are crucial to the continued growth of our community and region.

Marathon City is an employment center for our region with nearly 2,000 people coming to work in the Village on a daily basis. Since the creation of TID #1 in 2002, the Village has utilized Tax Increment Law to build required infrastructure and promote development in TID #1 producing industrial, commercial and residential development within our community.

Several developments were part of the initial opening of the TID from 2002 through 2006; however, during the Great Recession between 2007 and 2013 development was limited. The limited development during this period negatively impacted the completion of the TID #1 project plan. In 2014, development activity increased resulting in a nearly complete buildout of TID#1 area south of STH 29. To date, twenty-two businesses have located in the Marathon City Business Park within TID #1 and a half dozen businesses along our Main Street Corridor have benefited from redevelopment programs associated with TID #1. Hundreds of jobs have been created or retained as a result of TID #1 development and activity. As a result of the partnerships and development within TID #1, a positive increment value of \$32,568,800 has been generated with a projected 2021 tax value of \$703,903.

Tax Increment Financing (TIF) is a powerful tool that has assisted growth in the Village of Marathon City. TIF is not the only tool that Marathon City has employed. The Village has evaluated and pursued grant opportunities from the Economic Development Administration, USDA Rural Development, Wisconsin Department of Transportation, Wisconsin Economic Development Corporation and the Wisconsin Department of Administration. The Village has been awarded TEA Grants, PFED grants and CDI grants as a result of these efforts from multiple state agencies. However, due to economic qualification factors, specifically local unemployment rate (which is lower than the state average) and Median Household Income (which is slightly higher than the County average), Marathon City often doesn't qualify for Federal grant programs which tend to be larger dollar value programs with higher agency contribution/match levels. As a result, the Village has successfully utilized the only tool available and leveraged TIF to self-fund larger economic development efforts.

Passage of the AB 377 legislation would enable the Village of Marathon City to continue to leverage the success of TID #1 and expand development in TID #1 north of STH 29 by completing TID #1 project plan items delayed by the economic slowdown of the Great Recession. Delayed TID #1 project plan items include construction of a second water service main crossing the Big Rib River, construction of an industrial service road located north of STH 29 between STH 107 and 152<sup>nd</sup> Ave providing full access to 50+ acres of land in TID #1, the construction of an interior business park road connecting Cattail Lane with the new industrial service road and the construction of water and sanitary sewer infrastructure to support industrial, commercial and resident growth within TID #1 and its ½ mile perimeter north of STH 29. The projected costs for these delayed TID #1 project items is \$4.9M.

The extensions granted by AB 377 would enable Marathon City to continue to leverage the success of TID #1 to complete the delayed project plan items that would result in an estimated \$40M in private investment in our community, add a projected \$9.5M in new increment value in TID#1, pay off all TID #1 debt within the extension period and result in 50+ jobs locating in the Community. Included in the projected TID #1 increment is a 40 unit workforce housing project, increasing housing available in the Village. The Village is also working with other entities to add a projected \$22.5 M in non-TID value to the Village through additional development north of STH 29 within the village corporate boundaries. Without the TID modification, development north of STH 29 would not occur.

We greatly appreciate the opportunity to address the committee and look forward to answering any questions that you may have.

Respectfully Submitted;

David W Belanger, President

Village of Marathon City