

# JERRY PETROWSKI

WISCONSIN STATE SENATOR

## *Senate Bill 391*

September 29, 2021

Good afternoon, Mr. Chairman and members of the committee. Thank you for the opportunity to speak today on Senate Bill 391.

Tax Incremental District (TID) #1 in the Village of Marathon City was originally created in January 2002 to assist with commercial and industrial development on the north side of the Village. Most of TID #1 lies on the south side of State Highway 29, where nearly all of the property has been developed. The TID also includes another large parcel on the north side of Highway 29 that is the focal point for the Village's future economic development prospects.

Like many places in Wisconsin, however, the Great Recession dramatically impacted new development in the Village. As a result, critical infrastructure necessary to provide access and improvements to this land north of Highway 29, including a service road and sewer and water service, was delayed. Unfortunately, under current law, the expenditure period for TID #1 closed in January 2020, and no additional TID revenue can be spent to fund these necessary improvements.

Senate Bill 391 would extend the expenditure period for TID #1 an additional three years to January 2023 to provide the village with the time needed to complete these infrastructure projects. In addition, the bill extends the maximum life of the TID from January 2028 to January 2035 to provide additional time for the TID cash flow to cover the costs of these project expenses. Together, these changes will allow Marathon to take advantage of its existing TID to continue to develop the northern section of the Village.

Thank you again for the opportunity to speak on this bill. I would be happy to answer any questions you may have.

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29TH SENATE DISTRICT

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**Testimony on Senate Bill 391  
Senate Committee on Transportation and Local Government  
Wednesday, September 29, 2021**

Hello, and thank you Chairman Stroebel and members of the Senate Committee on Government Operations, Legal Review and Consumer Protection for allowing me to share my testimony with you regarding Senate Bill 391, 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.

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

## **TID #1 EXTENSION HEARING OPENING COMMENTS**

The Village of Marathon City would like to thank Senator Petrowski for authoring and Representative Spiro for co-sponsoring SB 391 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 Assembly 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 (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 SB 391 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

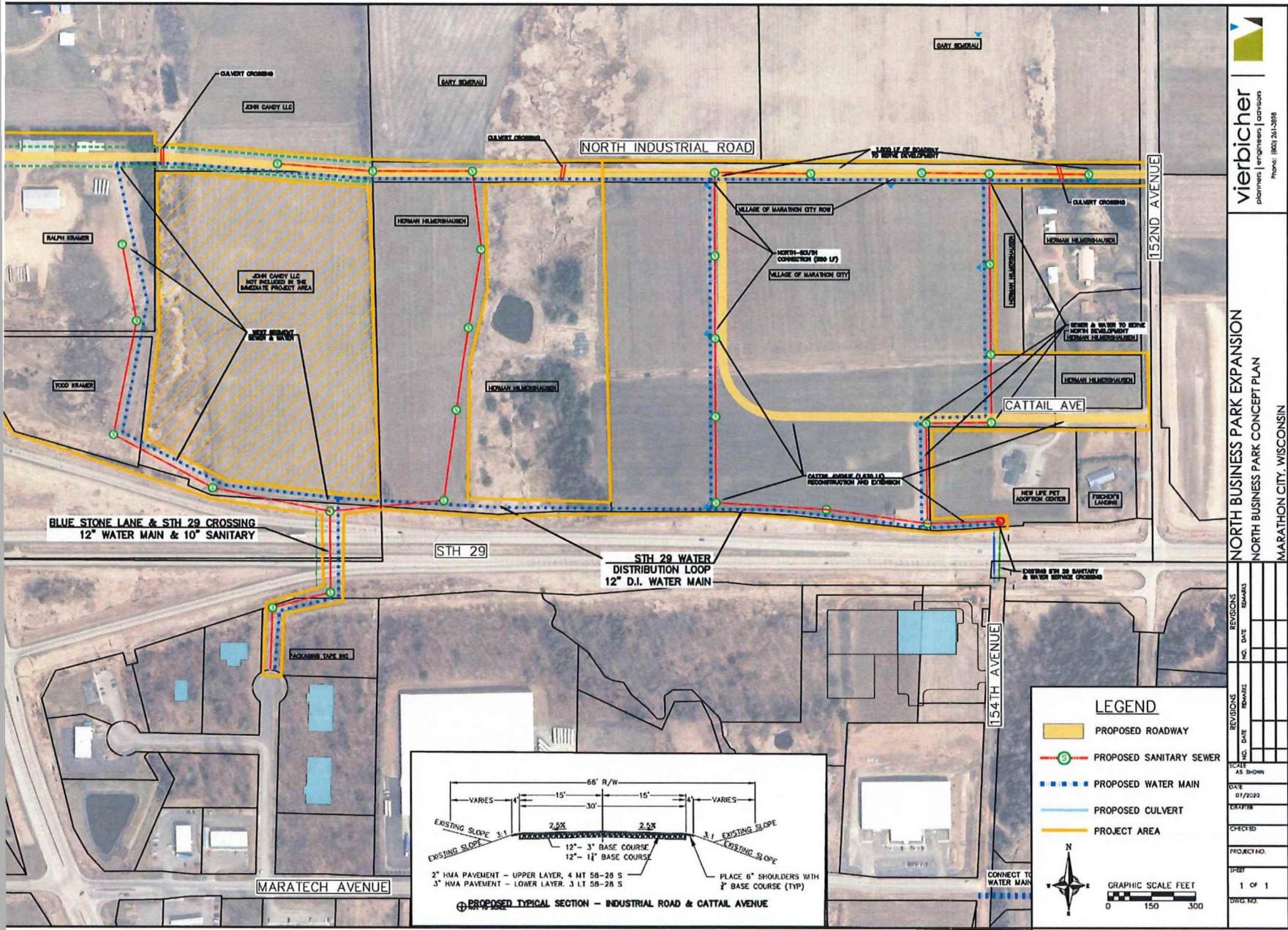
main crossing the Big Rib River, construction of an industrial service road located north of STH 29 between STH 107 and 152<sup>nd</sup> Ave providing full access to 50+ acres of land in TID #1, the construction of an interior business park road connecting Cattail Lane with the new industrial service 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 SB 391 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 you have.

Thank You.

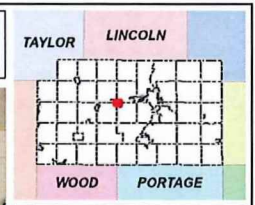
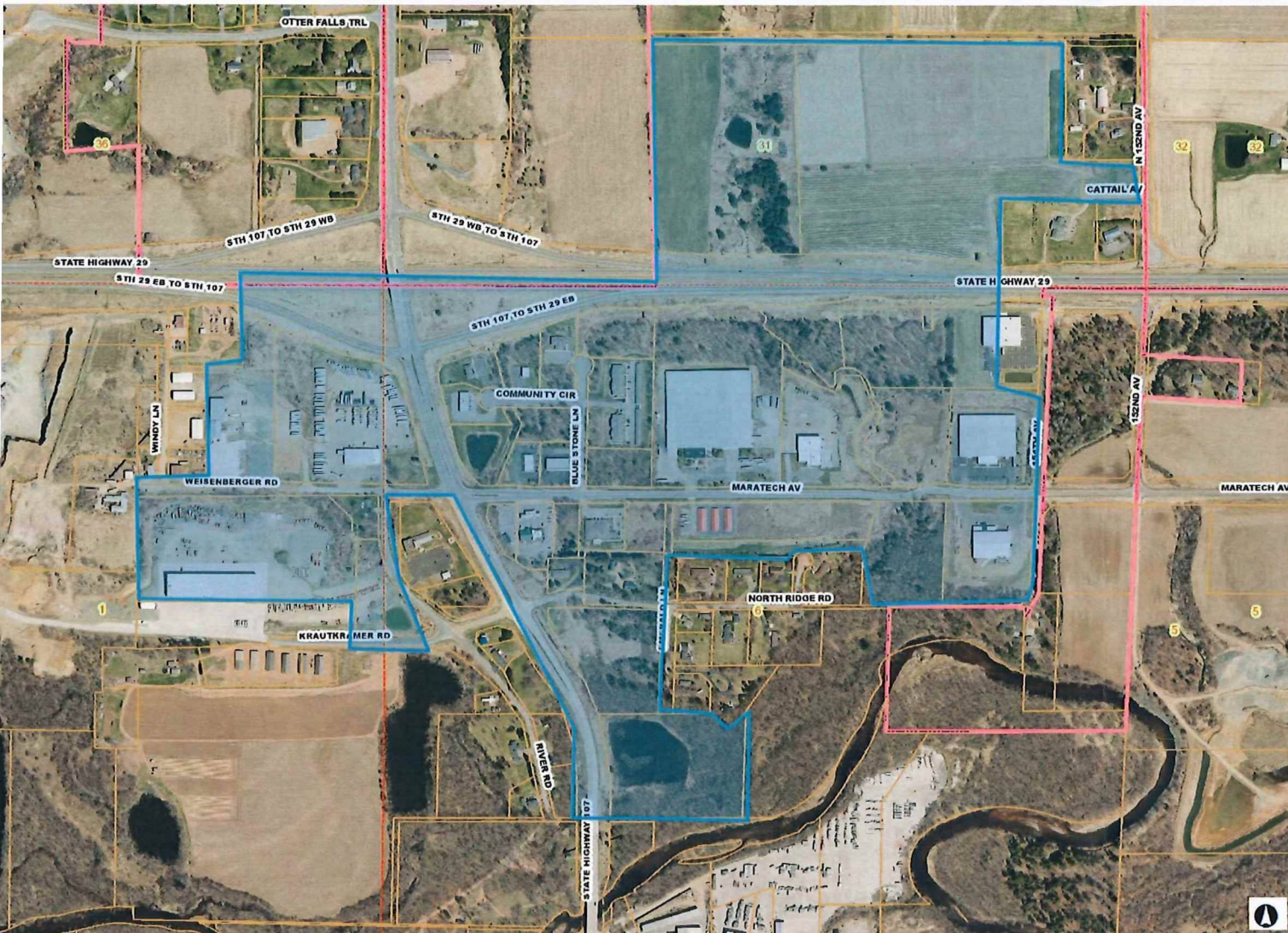




NO.	DATE	REVISIONS	REMARKS

SCALE AS SHOWN  
DATE 07/2023  
DRAWN  
CHECKED  
PROJECT NO.  
SHEET 1 OF 1  
DWG. NO.





- Legend**
- Road Names
  - ▭ Parcels
  - ▭ Parcel Lot Lines
  - Land Hooks
  - ▭ Section Lines/Numbers
  - ▭ Named Places
  - ▭ Municipalities
  - ▭ 2020 Orthos Countywide
    - Red: Band\_1
    - Green: Band\_2
    - Blue: Band\_3



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**Notes**