

VOTERS WITH FACTS PRESS RELEASE

WILL Puts City of Eau Claire on Notice About Unlawful TIF District

January 16, 2018 - The Wisconsin Institute for Law & Liberty (WILL) filed a Section 893.80 Notice with the City Clerk on January 12, 2018, putting the City on notice of its clients' claims against the City for unlawful conduct in connection with the creation of Eau Claire Tax Incremental Financing (TIF) District #12. Tax incremental financing is an extraordinary mechanism that is to be used solely to foster development where it would not otherwise occur. The district in question located along Water and Menomonie Streets, is an area in which development had been publicly announced. In fact one major development had been completed and occupied prior to the creation of the district. City Council President Kerry Kincaid characterized the district while advocating for its creation during the September 12, 2017 City Council Meeting, as one in which "development is staring us in the face" and as an "increment that can be captured" without the need "to seek development."

In commenting on the Notice, Rick Esenberg, President and General Counsel of WILL stated, ""It is unlawful to approve a TID project plan that relies on 'incremental' tax revenue from property that was fully developed before the TID was enacted. Capturing existing developments in a TID removes the property from the allocable tax base, and burdens other taxpayers with taxes that would otherwise be allocated to the new property."

Voters with Facts Volunteer, Cyndi Burton, commented, "I hope that, with the receipt of this Notice, the City will cease its current practice of creating Tax Incremental Districts (TIDS) in areas where development is in progress. Likewise, I hope that it voids the two existing TIDS that were created around ongoing development. The practice is not only unlawful, but does a grave disservice to us taxpayers. It raises tax rates and in turn the taxes we pay."

To review the notice of claim, see http://voterswithfacts.com/2018-01-12_VWF_TID_12_Notice_of_Claim_and_Injury.pdf.