

A Planning Document for

Village of McFarland, Wisconsin

Project Plan and Boundary Description

Tax Incremental Finance District Number 3

June 21, 2004
Plan Commission Public Hearing



Planning, Design and
Redevelopment Assistance by:

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TABLE OF CONTENTS

	<u>PAGE</u>	
SECTION I.	INTRODUCTION	1
SECTION II	DESCRIPTION OF HOW TAX INCREMENT DISTRICT #3 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE VILLAGE OF MCFARLAND	3
SECTION III.	TAX INCREMENT DISTRICT BOUNDARY DESCRIPTION AND EQUALIZED VALUES	6
SECTION IV.	EXISTING USES AND CONDITIONS OF REAL PROPERTY	8
SECTION V.	PROPOSED PUBLIC IMPROVEMENTS, ESTIMATED COSTS AND ECONOMIC FEASIBILITY	10
	• General Project Cost Estimates Narrative	11
	• General Development Increment Assumptions Narrative	14
	• General Sources of Revenues Narrative	16
	• General Economic Feasibility Narrative	17
SECTION VI.	CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT NO. 3 WITH THE VILLAGE ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES	24
APPENDIX A	TAXING JURISDICTION CORRESPONDENCE	
APPENDIX B	PROOF OF PUBLICATION	
APPENDIX C	JOINT REVIEW BOARD MINUTES	
APPENDIX D	PLAN COMMISSION PUBLIC HEARING MINUTES	
APPENDIX E	RESOLUTION 2004-11 CREATING TAX INCREMENT DISTRICT NO. 3	
APPENDIX F	RESOLUTION 2004-12 APPROVING THE PROJECT PLAN	
APPENDIX G	TID #3 JOINT REVIEW BOARD FINAL INFORMATION AND DECISION	
APPENDIX H	RESOLUTION 2004-14 APPROVING VILLAGE BOARD RESOLUTIONS CREATING TIF DISTRICT #3 AND ADOPTING THE PROJECT PLAN	
APPENDIX H	VILLAGE ATTORNEY OPINION	
APPENDIX I	BOUNDARY DESCRIPTION	

SECTION I. INTRODUCTION

The project plan for Tax Increment Financing District #3 (TID #3) in the Village of McFarland, Wisconsin, has been prepared in compliance with Section 66.1105, Wis. Stats. The project plan establishes the need for the project, lists the public improvements within the district, provides an estimated time schedule for completion of the project and an estimated budget. This project plan is to be adopted by resolution of the Village Board on recommendation of the Village Plan Commission as the official plan and guide for public and private sector development within the boundaries of TID #3. The costs for the proposed public improvements listed in Table 1 are estimates based on preliminary engineering and similar types of projects that have been recently constructed. Final costs will not be available until design, engineering, bid preparation, contract award and actual construction have all taken place.

Implementation of the project plan and construction of the public improvements listed will still require a case-by-case authorization by the Village Board. Public expenditures for projects listed in the project plan should and will be based on market conditions and the status of development at the time a project is scheduled for construction. The Village Board is not mandated to make any of the public expenditures described in this plan, but the expenditures are limited to the types of projects listed herein. This project plan is intended to identify the TIF-eligible projects. Participation by the Village in construction of projects and levels of expenditures will be determined by the Village Board as project implementation moves forward. It is possible that the

Village may determine to enter into a development agreement with the developer of any of the property within the TID boundary. These development agreements will contain specific language that identifies the different responsibilities and commitments of both the Village and the developer(s). This language will further clarify the level of participation by the Village and assist in guiding the implementation of this project plan. Changes to the types of projects will require a formal amendment to the project plan with public review (including meetings with the Joint Review Board and Plan Commission public hearing) and Village Board approval. Redistribution of project costs within the budget estimates will not require an amendment to the plan, provided that the projects meet the purpose and intent of the district.

New legislation has recently been passed which has changed different aspects of the TID law. For industrial TIDs created between October 1, 1995 and September 30, 2004, the retirement period is 23 years and the spending period is 18 years (changed from 7 years). This project plan reflects this new change. TIDs may have four boundary amendments during the life of the TID and may subtract property from the TID. The previous law allowed only one boundary amendment and did not allow any subtraction from the districts. Because all of the property is currently located in the Village of McFarland, the new annexation limitations do not apply.

As required by Section 66.1105(4)(f), Wis. Stats., a copy of this project plan will be submitted to the Department of Revenue and used as the basis of their certification of Tax Increment District #3 in the Village of McFarland.

SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT #3 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE VILLAGE OF MCFARLAND

The Village of McFarland created an industrial TID along the USH 51 corridor in the 1980s. That district took underutilized and undeveloped land and encouraged the development of higher quality industrial uses. The Village has been extremely successful in recruiting and retaining businesses that provided good paying jobs and built buildings that contributed to a quality entry into the Village.

The Village of McFarland is strategically located just south of the Beltline Highway, west of I-90 and USH 51 intersects the Village. In addition, Dane County Regional Airport is located just north of the Village off of USH 51. The Village is one of the best located communities within Dane County for transportation-related businesses. This gives the Village a competitive edge to marketing and business recruitment of all types of businesses that need excellent transportation access.

The Terminal Drive corridor is home to several different companies that are gasoline-related and, consequently, house structures known as "tank farms". While these uses are necessary to the economy, the tax base is low and the uses are not the "highest and best uses" that could locate along this prime highway corridor.

The Village has received a proposal for the new construction of a cold storage facility. This facility is proposed to be located at the southern end of Terminal Drive backing up to the environmental corridor and Lake Waubesa. This facility, as proposed,

will bring in significant tax base, will create a good number of jobs and contribute to the economic development of the community.

The proposed TID area is primarily not serviced by sewer. It is proposed that sewer be extended from the south north to the intersection of Terminal Drive and USH 51. In addition, stormwater and road upgrades are needed to address a expanding problem that the Village has not yet be able to address.

Construction of these projects will help to eliminate utility blighted conditions, thus encourage higher quality development of the vacant lots located along Terminal Drive as well as potential reuse and redevelopment of some of the underutilized properties.

Competition for industrial and business park-type uses is very strong in the State of Wisconsin. Tax Increment Financing is one of the State's only economic development tools available to encourage business start-up and relocation of business to the State. Consequently, in order for the Village of McFarland to comprehensively address the redevelopment of this area, it is necessary to fund the infrastructure improvements needed to service these properties with the use of tax increment financing. In addition, there are regional-wide enhancements that should be made. These enhancements include comprehensive entry landscaping and signage along the USH 51 corridor as well as addressing stormwater concerns in the northern edge of the Village.

With the creation of TID #3, the Village of McFarland will be competitive with surrounding communities in attracting new business by offering fully-serviced, attractive

lots for relocation and/or expansion within the community. This development will contribute to the balanced growth of the Village.

**SECTION III. TAX INCREMENT DISTRICT BOUNDARY
DESCRIPTION AND EQUALIZED VALUES**

The boundaries of TID #3 are officially designated on Map 1 on the following page. The majority of the district is located west of USH 51 beginning at the Terminal Drive intersection south to include properties fronting on Ivywood Trail. In addition, there are properties that front on Triangle St. and Meinders Rd.

The equalized value of the Village is \$512,985,500. The base value of TID #3 is approximately \$16,500,000. Since this is the only TIF district that the Village will have, they have \$61,558,260 or 12% of the total equalized value to put into the TID. The Village should carefully monitor the 12% capacity issue as development takes place within the boundary as development of significant new increment in the district would jeopardize any future potential for creating additional TID(s).

Map 1: TID Boundary

SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

Map 2, on the following page, shows that the lands within Tax Increment Financing District #3 are either vacant or are partially developed. Very few properties have enough density of development on the individual lots that would preclude them from adding onto existing buildings or building additional buildings. The area meets the requirements of being suitable for industrial development as required by Section 66.1105(4)(gm)(4)(a), Wis. Stats.

There are properties within the proposed TID that could be classified as “blighted” or in “need of conservation and rehabilitation work”. For purposes of this project plan, the industrial finding is the one determining the purpose of the TID. However, should the Village choose to create a statutory Redevelopment District with the creation of a Community Development Authority (CDA) and its accompanying redevelopment responsibilities, this Tax Increment District project plan is written to facilitate any redevelopment activities that the Village Board and CDA may choose to undertake.

Map 2: Existing Uses & Conditions of Real Property

**SECTION V. PROPOSED PUBLIC WORKS, ESTIMATED COSTS
AND ECONOMIC FEASIBILITY**

The TID project plan includes multiple projects that the Village may choose undertake to accomplish development within the TID. The project plan is anticipating the construction of all infrastructure improvements, however the Village reserves the right to construct improvements either in phases or only partially construct the improvements. The actual timing for construction is also estimated. Engineering, bidding and construction of all improvements will take place based on market demand for serviced lots and/or commitment by the Village to the developer to construct within a certain time period.

This section of the TID project plan includes a narrative of the public purpose project costs and development increment assumptions as well as an anticipated schedule of when each project will occur. For purposes of presentation, a general narrative follows describing the project cost assumptions. The next portion of this section describes the development increment assumptions upon which absorption and values-per-acre are described.

Table 1 lists the proposed public improvements, an estimated time of construction and estimated costs. Since the majority of projects will be serviced within a year after creation of the TID, development of new increment may accelerate dependent upon interest in the properties within the TID as well as the condition of the general economy.

The economic feasibility analysis with anticipated TIF district retirement based on assumptions in Tables 1 and 2 are located at the end of this section in Tables 3 and 4. Lastly, Map 3 shows the location of the improvements.

General Project Cost Estimates Narrative

The public improvement costs included in TID #3 are for development of infrastructure within the entire TID boundary. The project costs contained in this project plan are estimates only at this time. The estimates have been based on the current concept for design for the improvements. While the current TID law allows for a seven year spending period, as of October 1, 2004, the new law allows for the spending period to extend a period of five years less than the unextended retirement period (23 years in this case) or 18 years to spend for projects within the TID. This project plan reflects that new spending time period. Consequently, because costs are extended out a significant number of years, inflation has been added to costs to more accurately reflect 2004 dollars.

The cost estimates are based on engineering estimates that were prepared for bid letting on the Terminal Drive sewer extension. Those costs are fairly accurate dependent upon actual construction. The costs were prepared assuming a contingency above hard construction costs for typical construction contingencies. An engineering and construction administration contingency is included in the total estimated costs to cover these particular costs.

Specific infrastructure improvements include upgrading Terminal Drive, Triangle Street and Meinders Road. These upgrading costs are engineered to match the existing

Triangle Street improvements that were done in the previous TID. These improvements are urban improvements which include curb, gutter, road surfacing, subsurface improvements and bike paths. They also include lighting, landscaping and signage. Because Terminal Drive is in badly need of upgrading, the Village may choose just to improve it in the first phase by milling the pavement and then actually reconstructing it to an urban section at a later date.

There is over \$500,000 of estimated storm water improvements for the Terminal Drive Basin that includes storm water runoff from lands in the City of Madison through to Lake Waubesa. Excessive storm water runoff is currently impacting these lands that are primarily in the TID boundary. Appropriate construction of storm water management facilities and improvements will lessen this impact and improve the quality of water going directly into Lake Waubesa.

Another project proposed to be constructed is the addition of landscaping and signage along USH 51. As stated before, the USH 51 corridor from the Beltline to McFarland is the main entrance to the Village from the north. It is proposed that an extensive landscaping program be undertaken within the right-of-way from Terminal Drive intersection with USH 51 to Siggelkow Road. Application of landscaping treatments will greatly improve the aesthetic qualities of this entryway as well as screen some of the uses from the highway corridor.

Other public purpose projects include administration, legal, planning and non-specific engineering costs related to creation of the TID and its implementation. It is the

intention of the Village to seek reimbursement from the TID for these costs should sufficient revenues be available.

Marketing, business recruitment incentives, acquisition, relocation, demolition and the establishment of an Economic Development Fund are the final projects in Table 1. These costs are typically included in any industrial TID. The Village has a further challenge in successfully implementing this TID in that most of the land is either occupied or underutilized. In addition, many of the uses are not the highest and best use, consequently participation by the Village in assembling and recruiting businesses and developers may be necessary to accomplish the goals of the TID. Therefore, the above-mentioned costs are included in the project plan as eligible and high priority costs to assure even more success in the implementation of this project plan.

The Village Board, with input from the Plan Commission and CDA, if established, will set up an Economic Development Fund that will set standards and guidelines for disbursement of funds and types of projects eligible to be funded. Interested candidates will be able to submit an application for accepted types of development and, if qualified, receive funds to implement projects within the TID. Types of funding can include redevelopment and rehabilitation low interest loans, interest write-downs, capital start-up costs and grant programs designed to provide funding for architectural assistance in the design of façade improvements. Other types of eligible funding may be added in order to fully utilize all sources of funding and revenues to encourage redevelopment of already-developed property and new development of vacant property.

The estimated year of construction for the improvements is based upon an assumption that business recruitment goes well. The actual construction phasing will be based on an annual review of tax increment revenues and development agreement obligations and commitments. The Village Board will then make individual decisions on implementation of infrastructure construction.

Anticipated non-project costs are private sector improvements which could total a minimum of \$28,728,000 if all development occurs as projected.

General Development Increment Assumptions Narrative

In determining the potential increment that may be developed in TID #3 in the Village of McFarland, the existing improvement value of businesses located along the USH 51 corridor were analyzed to see what the historical average value per acre of improvements equaled to compared to the newer development south of the proposed TID on the east side of USH 51. In addition, the value of the different uses along Terminal Drive was compared and an average amount was calculated.

The value per acre of industrial uses within the TID boundary ranged from \$80,000 to \$218,000 per acre. The typical average per acre value for improvements within TIDs in communities around McFarland is \$175,000 - \$375,000. The lower end of the spectrum was in industrial parks that were older and did not have the quality of development that McFarland has south on Triangle Street.

For purposes of calculation, in the Triangle Street/Meinders Road area, the properties proposed to be included in the TID comprise of 17-18 acres. The current improvements value is only \$1,350,600 or \$80,000/acre. Map #49's improvement value

for approximately 2.5 acres is \$218,000/ac. If the \$218,000/acre value was multiplied by 17 acres, the total increment value could be \$3,815,000 or almost a 300% increase.

The intent of the Village is to have development at least this level of quality. So, for purposes of calculating new increment, a \$350,000/acre value was used for the 17 acres discussed above. This would now yield a \$6,650,000 incremental improvement that reflects approximately a 440% increase in value over the existing uses.

Other development within the Village has yielded a higher value per acre. We feel that the \$350,000 is a conservative number. It is also a blended number; it includes industrial, mixed use, commercial and residential. Consequently, uses other than industrial will yield a much higher value per acre, so \$350,000 is very conservative.

The cold storage facility increment has been calculated at \$3.5M in 2004, \$2.5M in 2005 and \$4M (phase 2) in 2008. Based on discussions with the developer of this property, the building phases cannot be built quickly enough for current customers. This schedule of phasing is very conservative.

The total incremental increases in value are shown in Table 2. It itemizes the type of increment (industrial, mixed use, redevelopment, housing) and the amount and when it may occur. Development will probably occur on a different time schedule with different values. It is up to the Village to take a very aggressive and pro-active role in encouraging development in order to facilitate and expedite development of increment, yielding not only fiscal impact but adding to the quality of life impact on the community.

General Sources of Revenues Narrative

Other sources of revenues that the Village could anticipate collecting are termed “non-tax” revenues. These revenues are from sources other than real estate and personal property taxes from the new development within the TIF district boundary. They may include special assessments, grants, developer agreement (PILOT) payments, general fund and other similar revenues. It is anticipated that the Village will collect these types of revenues to offset total project costs. The Village will also research potential other sources of revenues to assist in the early repayment and retirement of the TID.

General Economic Feasibility Narrative

The development increment projections, as outlined in Table 2, if met on a fairly similar timeline, will be sufficient to cover the expenditures needed to fully service the interest and principal payments needed to construct the expenditures listed in Table 1. This economic feasibility is also based on current legislation in effect at the writing of this TID project plan.

Table 1 itemizes the project costs expended for the entire district. All costs identified in the General Project Cost Estimates Narrative are included in Table 1. Table 2 takes into account a development increment assumption scenario that is very conservative. As discussed above, the estimated land absorption for business/industrial development is shown on Table 2, Tax Incremental District No. 3: Development Increment Assumptions.

As stated above, the Village may need to rely on other non-TID sources of revenues to offset the total project costs. While the Village anticipates potentially paying

for some of the projects with non-tax revenues, if development exceeds the estimated increment development schedule and economic feasibility is accelerated, the Village reserves the right to use tax increment revenues to pay all of the costs than what is reflected in Table 1.

It appears that with the assumptions in both Tables 1 and 2, the debt is retired within the 23-year required timeframe.

TABLE 1 PROPOSED PUBLIC IMPROVEMENTS

MAP #	YEAR	DESCRIPTION	ESTIMATED PROJECT COSTS		SOURCES OF PROJECT COST REVENUES	
			DETAIL	SUBTOTAL	TID	NON-TID
1	2004	Sanitary Sewer - Terminal		\$ 857,300		
		Lift Station	\$ 204,300		\$ 204,300	\$0
		Force Mains	\$ 137,000		\$ 137,000	\$0
		Gravity Sewer				
		North	\$ 177,500		\$ 177,500	\$0
		Easements	\$ 40,000		\$ 40,000	\$0
		Phase 1	\$ 98,300		\$ 98,300	\$0
		Phase 2A	\$ 58,000		\$ 58,000	\$0
		Easements	\$ 40,000		\$ 40,000	\$0
		Phase 2B	\$ 62,200		\$ 62,200	\$0
		Easements	\$ 40,000		\$ 40,000	\$0
		Far North (not to lift)	\$ -		\$ -	
2	2004-5	Street Improvements - Terminal Drive (Urban)		\$ 1,846,000	\$ 923,000	\$923,000
3	2006	Storm Water Improvements - Terminal (City of Madison to Lake)		\$ 513,665		
		Bridge Replacement w/ 2 Box culverts	\$ 100,000		\$ 100,000	\$0
		Easements				\$0
		Cenex	\$ 10,000		\$ 10,000	\$0
		Other	\$ 80,000		\$ 80,000	\$0
		Storm Sewer / Culverts				\$0
		Cenex	\$ 223,665		\$ 223,665	\$0
		Other	\$ 50,000		\$ 50,000	\$0
		Ditch Grading	\$ 50,000		\$ 50,000	\$0
4	2007	Triangle Street		\$ 1,070,000	\$ 535,000	\$535,000
5	2007	Meinders Road		\$ 232,000	\$ 116,000	\$116,000
6	2006	USH 51 Landscaping		\$ 250,000	\$250,000	\$0
	2004-2020	Planning & Engineering (not project specific); Redevelopment Plan		\$ 250,000	\$250,000	\$0
	2004-11	Marketing & Business Recruitment Incentives		\$ 500,000	\$500,000	\$0
	2004-10	Economic Development		\$ 1,000,000	\$1,000,000	\$0
	2006-15	Land Acquisition, Relocation, Demolition		\$ 2,500,000	\$2,500,000	\$0
GRAND TOTAL ESTIMATED PROJECT COSTS				\$ 9,018,965	\$ 7,444,965	\$ 1,574,000

VILLAGE OF MCFARLAND

6/2/2004

TID NO. 3

TABLE 2 DEVELOPMENT INCREMENT ASSUMPTIONS

YEAR	DEVELOPMENT	ESTIMATED INCREMENT
2004	Industrial - Cold Storage Phase 1	\$3,500,000
2005	Industrial - Cold Storage Phase 1	\$2,500,000
	Industrial - General	\$1,000,000
2006	Industrial - General	\$1,000,000
2007	Industrial - General	\$1,000,000
2008	Industrial - Cold Storage Phase 2	\$4,000,000
	Industrial - General	\$1,000,000
2009	Industrial - Redevelopment	\$3,500,000
	Industrial - General	\$1,000,000
2010	Industrial - General	\$500,000
2011	Redevelopment - Mixed Use	\$2,728,000
	Redevelopment - Housing	\$1,000,000
2012	Industrial - General	\$1,000,000
2013	Industrial - General/Redevelopment	\$1,000,000
2015	Industrial - General	\$1,000,000
2016	Industrial - General/Redevelopment	\$1,000,000
2017	Redevelopment/Housing/Mixed Use	\$2,000,000
ESTIMATED DEVELOPMENT INCREMENT		\$28,728,000

Map 3: Proposed Public Improvements

TABLE 3
REVENUE ANALYSIS

Base Value Year	2004	Rate of Inflation	2.00 %
Base Value Amount	\$16,552 ...in \$1,000s	Interest Rate	6.00 %
Net Value Tax Rate	0.0218		

Construct Year	Development Increment Base	Tax Base Loss	Total Value	Inflation Factor	Total Current Value	Total Increment Value	Tax Revenue
12/31							



2004	\$3,500	\$0	\$20,052	1.0000	\$20,052	\$3,500	\$0
2005	\$7,000	\$0	\$23,552	1.0200	\$24,023	\$7,471	\$0
2006	\$8,000	\$0	\$24,552	1.0404	\$25,543	\$8,992	\$76
2007	\$9,000	\$0	\$25,552	1.0612	\$27,115	\$10,564	\$163
2008	\$14,000	\$0	\$30,552	1.0824	\$33,070	\$16,518	\$196
2009	\$18,500	\$0	\$35,052	1.1041	\$38,700	\$22,148	\$231
2010	\$19,000	\$0	\$35,552	1.1262	\$40,037	\$23,485	\$360
2011	\$22,728	\$0	\$39,279	1.1487	\$45,119	\$28,568	\$483
2012	\$23,728	\$0	\$40,279	1.1717	\$47,193	\$30,642	\$512
2013	\$24,228	\$0	\$40,779	1.1951	\$48,735	\$32,183	\$623
2014	\$24,728	\$0	\$41,279	1.2190	\$50,319	\$33,767	\$669
2015	\$25,728	\$0	\$42,279	1.2434	\$52,569	\$36,017	\$702
2016	\$26,728	\$0	\$43,280	1.2682	\$54,889	\$38,337	\$737
2017	\$28,728	\$0	\$45,280	1.2936	\$58,574	\$42,022	\$786
2018	\$28,728	\$0	\$45,280	1.3195	\$59,745	\$43,194	\$837
2019	\$28,728	\$0	\$45,280	1.3459	\$60,940	\$44,389	\$917
2020	\$28,728	\$0	\$45,280	1.3728	\$62,159	\$45,608	\$942
2021	\$28,728	\$0	\$45,280	1.4002	\$63,402	\$46,851	\$969
2022	\$28,728	\$0	\$45,280	1.4282	\$64,670	\$48,119	\$995
2023	\$28,728	\$0	\$45,280	1.4568	\$65,964	\$49,412	\$1,022
2024	\$28,728	\$0	\$45,280	1.4859	\$67,283	\$50,731	\$1,050
2025	\$28,728	\$0	\$45,280	1.5157	\$68,629	\$52,077	\$1,078
2026	\$28,728	\$0	\$45,280	1.5460	\$70,001	\$53,450	\$1,107
2027	\$28,728	\$0	\$45,280	1.5769	\$71,401	\$54,850	\$1,136

All amounts are in \$1,000s
Two year lag between construction & collection of taxes.

**TABLE 4
EXPENDITURE ANALYSIS**

Construct Year	Tax Revenue	Non-tax Revenue	Total Revenue	Project Costs	Account Balance	Debt Service	Account Balance	Annual Amount Borrowed
12/31	Nominal \$				01 January	31 December		
\$9,019								
2004	\$0	\$462	\$462	\$1,880	(\$1,419)	\$85	(\$1,504)	(\$1,504)
2005	\$0	\$462	\$462	\$1,108	(\$2,150)	\$129	(\$2,279)	(\$776)
2006	\$76	\$0	\$76	\$1,439	(\$3,642)	\$219	(\$3,860)	(\$1,581)
2007	\$163	\$651	\$814	\$1,462	(\$4,508)	\$270	(\$4,779)	(\$918)
2008	\$196	\$0	\$196	\$160	(\$4,743)	\$285	(\$5,027)	(\$248)
2009	\$231	\$0	\$231	\$660	(\$5,457)	\$327	(\$5,784)	(\$757)
2010	\$360	\$0	\$360	\$660	(\$6,084)	\$365	(\$6,449)	(\$665)
2011	\$483	\$0	\$483	\$660	(\$6,625)	\$398	(\$7,023)	(\$574)
2012	\$512	\$0	\$512	\$660	(\$7,170)	\$430	(\$7,601)	(\$578)
2013	\$623	\$0	\$623	\$160	(\$7,137)	\$428	(\$7,565)	\$0
2014	\$669	\$0	\$669	\$110	(\$7,007)	\$420	(\$7,427)	\$0
2015	\$702	\$0	\$702	\$10	(\$6,735)	\$404	(\$7,139)	\$0
2016	\$737	\$0	\$737	\$10	(\$6,412)	\$385	(\$6,797)	\$0
2017	\$786	\$0	\$786	\$10	(\$6,021)	\$361	(\$6,382)	\$0
2018	\$837	\$0	\$837	\$10	(\$5,556)	\$333	(\$5,889)	\$0
2019	\$917	\$0	\$917	\$10	(\$4,982)	\$299	(\$5,281)	\$0
2020	\$942	\$0	\$942	\$10	(\$4,349)	\$261	(\$4,610)	\$0
2021	\$969	\$0	\$969		(\$3,641)	\$218	(\$3,860)	\$0
2022	\$995	\$0	\$995		(\$2,864)	\$172	(\$3,036)	\$0
2023	\$1,022	\$0	\$1,022		(\$2,014)	\$121	(\$2,135)	\$0
2024	\$1,050	\$0	\$1,050		(\$1,085)	\$65	(\$1,150)	\$0
2025	\$1,078	\$0	\$1,078		(\$72)	\$4	(\$76)	\$0
2026	\$1,107	\$0	\$1,107		\$1,031	\$0	\$1,031	\$0
2027	\$1,136	\$0	\$1,136		\$2,167	\$0	\$2,167	\$0

Notes: All amounts are in \$1,000s

The preliminary economic feasibility analysis projects that TID #3 is feasible. The Village should continually monitor the development phase of the TID as it relates to increment generation and debt service pay-off.

Financing for all of the projects listed in Table 1 will be determined by Village staff, the financial consultant and presented to appropriate Village commissions and Boards. The amount of borrowing or the strategy of financing is yet to be determined. The accounting for TID #3 will be done as a separate fund. The Village will make its final decision on where and how to borrow funds on a case-by-case basis and with the advice of the Village's financial consultant.

SECTION VI. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #3 WITH THE VILLAGE ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES

All of the land in TID #3 is currently in the Village of McFarland. Over 50% of the land is zoned for industrial development and is suitable for "industrial" sites within the meaning of Section 66.52, Wis. Stats. It is further the intent of the Village that this land will remain zoned for business park use for the life of the tax increment district as required by statutes.

The development of the Business Park is consistent with local plans. It is anticipated that there will be no displaced persons from project activities as currently contemplated. If conditions change in the future, the Village will conform to the State of Wisconsin Relocation laws.



 **COPY**

May 21, 2004

Kathleen Falk
Dane County Executive
210 Martin Luther King, Jr. Blvd.
Room 421
Madison, WI 53703

Re: TID No. 3, Village of McFarland, Wisconsin

Dear Ms. Falk:

The Village of McFarland is proposing to create Tax Incremental Finance District No. 3 (TID #3) for the purpose of constructing public purpose improvements that will more adequately service existing industrial uses as well as encourage quality and controlled redevelopment and development of the Terminal Drive and Triangle Street/Meinders Road sections in the Village. The effect of this development and redevelopment will create jobs, diversify tax base and eliminate blight as well as promote other economic development activities.

Section 66.1105, Wis. Stats., requires that the Village notify all of the affected taxing jurisdictions. Enclosed is a copy of the legal notice advertising the public hearings at which the proposed tax increment district boundaries and project plan will be considered.

The public hearings are scheduled for Monday, June 21, 2004 beginning at 7:00 p.m. Prior to the public hearing, the Joint Review Board is requested to meet at 6:30 p.m. to elect a Chairperson and a member-at-large. Enclosed please find the agenda for that meeting. We ask that you send a representative of your taxing jurisdiction to the Joint Review Board meeting at 6:30 p.m. If your representative cannot attend the Joint Review Board meeting, please assign an alternate representative so that we can be assured of a quorum and proceed with the process of creating the TIF district. We also encourage that representative to attend the Plan Commission public hearing immediately after to hear public input.

Please give your representative a copy of this letter as well as the notice and the agenda.

We will be contacting you in the future to obtain the name and address of your representative as well as to confirm attendance at this meeting.

Sincerely,

VILLAGE OF MCFARLAND



Don Peterson
Village Administrator

Enclosure: Public Hearing Notice
Joint Review Board Agenda

5915 Milwaukee St. • P.O. Box 110 • McFarland, WI 53558-0110 • FAX: (608) 838-3619

Administration
828-3152

Community Development
828-3151

EMS
828-3152

Fire
828-2778

Outreach
828-7117

Police
828-3151



May 21, 2004

Erik Thoresen
Village President
Village of McFarland
5915 Milwaukee St.
McFarland, WI 53558

Re: TID No. 3, Village of McFarland, Wisconsin

Dear Mr. Thoresen:

The Village of McFarland is proposing to create Tax Incremental Finance District No. 3 (TID #3) for the purpose of constructing public purpose improvements that will more adequately service existing industrial uses as well as encourage quality and controlled redevelopment and development of the Terminal Drive and Triangle Street/Meinders Road sections in the Village. The effect of this development and redevelopment will create jobs, diversify tax base and eliminate blight as well as promote other economic development activities.

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Sincerely,

VILLAGE OF MCFARLAND

Don Peterson
Village Administrator

Enclosure: Public Hearing Notice
Joint Review Board Agenda



May 21, 2004

Ken Brittingham
Superintendent
5101 Farwell St.
McFarland, WI 53558

Re: TID No. 3, Village of McFarland, Wisconsin

Dear Mr. Brittingham:

The Village of McFarland is proposing to create Tax Incremental Finance District No. 3 (TID #3) for the purpose of constructing public purpose improvements that will more adequately service existing industrial uses as well as encourage quality and controlled redevelopment and development of the Terminal Drive and Triangle Street/Meinders Road sections in the Village. The effect of this development and redevelopment will create jobs, diversify tax base and eliminate blight as well as promote other economic development activities. Section 66.1105, Wis. Stats., requires that the Village notify all of the affected taxing jurisdictions. Enclosed is a copy of the legal notice advertising the public hearings at which the proposed tax increment district boundaries and project plan will be considered.

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Sincerely,

VILLAGE OF MCFARLAND

Don Peterson
Village Administrator

Enclosure: Public Hearing Notice
Joint Review Board Agenda



May 21, 2004

Dr. Beverly Simone
Executive Director
Madison Area Technical College
3550 Anderson St.
Madison, WI 53704

Re: TID No. 3, Village of McFarland, Wisconsin

Dear Mr. Brittingham:

The Village of McFarland is proposing to create Tax Incremental Finance District No. 3 (TID #3) for the purpose of constructing public purpose improvements that will more adequately service existing industrial uses as well as encourage quality and controlled redevelopment and development of the Terminal Drive and Triangle Street/Meinders Road sections in the Village. The effect of this development and redevelopment will create jobs, diversify tax base and eliminate blight as well as promote other economic development activities.

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We will be contacting you in the future to obtain the name and address of your representative as well as to confirm attendance at this meeting.

Sincerely,

VILLAGE OF MCFARLAND

Don Peterson
Village Administrator

Enclosure: Public Hearing Notice
Joint Review Board Agenda

Publish in newspaper
Publish on June 3 & 10, 2004

PUBLIC NOTICE
VILLAGE OF MCFARLAND

TO WHOM IT MAY CONCERN:

At a meeting of the Village of McFarland Plan Commission to be held on or about 7:00 p.m., Monday, June 21, 2004, at the Municipal Center, 5915 Milwaukee Street, a Public Hearing will be held on the boundary for the Village of McFarland Tax Increment District #3. At a meeting of the Village of McFarland Plan Commission to be held on or about 7:05 p.m., Monday, June 21, 2004, at the Municipal Center, 5915 Milwaukee Street, a Public Hearing will be held on the proposed project plan for the Village of McFarland Tax Increment District #3.

A copy of the proposed boundary map and project plan is available and will be provided upon request at the Village Clerk's office at the Municipal Center, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

At the Public Hearing, interested parties will be afforded a reasonable opportunity to express their views on the proposed Tax Increment District.

Don Peterson
Village Administrator

VILLAGE OF MCFARLAND

NOTICE OF PUBLIC MEETING

JOINT REVIEW BOARD – TIF DISTRICT #3

Monday, June 21, 2004

6:30 P. M.

**Municipal Center
Conference Room A**

AGENDA

1. Call to order.
2. Election of Chairperson.
3. Election of Fifth Member-at-large.
4. Distribution and initial explanation of TIF District No. 3 project plan and boundary.
5. Other items as allowed by law.
6. Set next meeting.
7. Adjourn.

PROOF OF PUBLICATION

STATE OF WISCONSIN }
DANE COUNTY } ss.

Wayne Toske, being duly sworn, both depose and say that he is the general manager of the McFarland Thistle, a newspaper published at the Village of McFarland, in the County of Dane, State of Wisconsin, and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

June 3, 2004

June 10, 2004

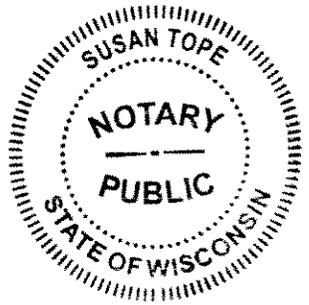
(Signed) _____
General Manager

Subscribed and sworn before me this 17th day of June, 2004

Notary Public, State of Wisconsin

My Commission expires April 23, 2006

No. Lines 33 No. Times 2 Affidavit Fees \$ 1.00
Printers Fees \$ 34.24
Total \$ 35.24



**VILLAGE OF MCFARLAND
NOTICE OF PUBLIC HEARING
BEFORE THE PLAN COMMISSION
TO WHOM IT MAY CONCERN:**
At a meeting of the Village of McFarland Plan Commission to be held on or about 7:00 p.m., Monday, June 21, 2004 in the Community Room of the Municipal Building, McFarland, Wisconsin, a Public Hearing will be held on the boundary for the Village of McFarland Tax Increment District #3. At a meeting of the Village of McFarland Plan Commission to be held on or about 7:05 p.m., Monday, June 21, 2004, in the Community Room of the Municipal Building, McFarland, Wisconsin, a Public Hearing will be held on the proposed project plan for the Village of McFarland Tax Increment District #3.
A copy of the proposed boundary map and project plan is available and will be provided upon request at the Village Clerk's office at Village Hall, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.
At the Public Hearing, interested parties will be afforded a reasonable opportunity to express their views on the proposed TIF District.
Respectfully submitted,
Pauline Boness
Community Development Director
PUB. The McFarland Thistle: June 3 & 10, 2004

Publish in newspaper
Publish on June 3 & 10, 2004

PUBLIC NOTICE
VILLAGE OF MCFARLAND

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A copy of the proposed boundary map and project plan is available and will be provided upon request at the Village Clerk's office at the Municipal Center, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

At the Public Hearing, interested parties will be afforded a reasonable opportunity to express their views on the proposed Tax Increment District.

Don Peterson
Village Administrator

MINUTES

VILLAGE OF MCFARLAND T. I. D. No. 3 JOINT REVIEW BOARD JUNE 21, 2004

- 1. **CALL TO ORDER.** The initial meeting of the Tax Incremental District No. 3 Joint Review Board was called to order by Village President Erik Thoresen at 6:30 p.m. in Conference Room A of the Municipal Center. The following Review Board members, each appointed by and representing an overlying taxing jurisdiction, were present.

McFarland School District	- Dave Pederson
Dane County	- Kevin Kesterson
MATC	- Ken Brittingham
Village of McFarland	- Erik Thoresen

Also present were Susan Hoeft, consultant from Vandewalle and Associates; Administrator Don Peterson; Trustees David Crane and Tim Zinkgraf; and Keith Weiss.

- 2. **ELECTION OF CHAIRPERSON.** On motion by Brittingham, seconded by Kesterson and carried unanimously by acclamation Erik Thoresen was elected as Chair of the Joint Review Board.

- 3. **ELECTION OF MEMBER-AT-LARGE.** Wisconsin Statutes provide that there also be another member of the Joint Review Board to represent the public-at-large, and that the appointment of this fifth member be approved by vote of the other four members. Keith Weiss was nominated to fill this at-large seat. On motion by Brittingham, seconded by Kesterson and carried unanimously by acclamation, Keith Weiss was elected to serve as the public member at-large on the Joint Review Board.

- 4. **OVERVIEW OF TID No. 3 PLAN.** Susan Hoeft of Vandewalle & Associates gave a brief overview of the project plan for proposed TID No. 3 which had been distributed in advance to the Joint Review Board members. The overview touched on the proposed boundaries of the TID, the infrastructure and economic development project expenses planned to be financed by the TID, and the tax increment revenues projected to be generated by new development/redevelopment. The conservative financial analysis indicated that the proposed TID No. 3 would be successful with the District paying off its obligations and being dissolved in 2025, several years short of its maximum 23 year life.

5. **PROCEDURAL ISSUES.** Hoeft explained the role of the Joint Review Board and the remaining procedural steps that must be taken to establish the new TID. These include public hearings before the Plan Commission on the project boundary and the project plan, recommendations on these items to the Village Board from the Plan Commission, approval by the Village Board, and adoption by the Joint Review Board of the final TID plan. The date of the next Review Board meeting was left open but will likely occur in mid to late August 2004.

6. **ADJOURNMENT.** On motion by Kesterson, seconded by Brittingham and carried unanimously by acclamation, the meeting was adjourned at 6:49 p.m.

Respectfully submitted,

Don Peterson
Village Administrator

MINUTES

Plan Commission Meeting
June 21, 2004

Members Present: Erik Thoresen, Tim Zinkgraf, Gordon Kensgaard, Terri Lenz, John Obst, Dick Plotkin, Mary Robb

Members Absent: None

Staff Present: Pauline Boness, Don Peterson, Dawn Borchardt, John Jenkins

Others Present: Ken Brost, Paul & Jeanne VonAllmen, Randy Kyle, Kevin Kesterson, Bill Haldeman, Jim Neese, Fred Holmer, Fred & Judi Heiman, Judy Burkeland, Wade & Michelle Huston, Chris Klar, Greg Welsh, Steve Laking, Gary Brown, Pat Ring, Grant Pieters, Robert Anderson, Jennifer Kushner, Joe & Ranette Maurer, Harv Thompson, Tom Gannon, Dave Thorson, Ray Peters, Jim & Grace Trochta

1. The meeting was called to order at 7:02 p.m. in the Community Room of the Municipal Center.
2. Plotkin moved, seconded by Kensgaard to approve the minutes of the May 17, 2004 Plan Commission Meeting and the June 7, 2004 Special Meeting of the Plan Commission. Motion carried.
3. Thoresen opened a public hearing at 7:03 p.m. to hear public comment on the proposed boundary map for the Tax Incremental District #3. Susan Hoefft of Vandewalle & Associates presented the proposed boundary map, noting the Village Board does have the flexibility to make changes at their meeting.

Thoresen closed the public hearing at 7:05 p.m.

Motion by Kensgaard, seconded by Zinkgraf to recommend to the Village Board approval of the boundary for the Village of McFarland Tax Increment District #3. Motion carried.

4. Thoresen opened a public hearing at 7:07 p.m. to hear public comment on the proposed project plan for the Village of McFarland Tax Increment District #3. Susan Hoefft of Vandewalle & Associates explained the project plan is required to show the existing uses within the TIF District; projects that are proposed to be undertaken in the district, the year projects are anticipated to begin; a map showing where the improvements are located; development increment assumptions; and a revenue analysis table. This plan has been provided for the public's review over the past few weeks.

Paul VonAllmen, 5601 Osborn Dr., questioned who would pay for the Village to market new businesses coming in to the TIF? Hoeft answered the TIF District would pay for marketing.

Jim Neese, 4901 Terminal Dr., questioned how the TIF will benefit him with the street improvements being planned for Terminal Dr.

At this time, any special assessments are planned to be paid by the TIF; however, this decision is not finalized and some costs could be assessed to affected homeowners.

Thoresen closed the public hearing at 7:26 p.m.

Motion by Zinkgraf, seconded by Obst to recommend to the Village Board approval of the proposed project plan for the Village of McFarland Tax Increment District #3. Motion carried.

5. Thoresen opened a public hearing at 7:29 p.m. to hear public comment on a request for a Conditional Use Permit allowing the Hot Dawg Hut to operate at 6115 Hwy. 51. Owner Bill Haldeman will serve specialty coffees, morning pastries, hot dogs, Italian beef, gyros, etc. The hours would not exceed 6:00 a.m. – 11 p.m. during the week, with a slight reduction in hours on the weekend. Haldeman plans to change the exterior colors of the building to more neutral colors, repair the driveway, update the mechanicals, and add the proper signage. The lot has one exterior pole in the driveway for lighting as well as lighting on the building itself. Haldeman does not intend to add to this.

Ken Brost, 6304 Exchange St., is in support of the CUP. This business will be an excellent addition to the neighborhood.

Jen Kushner, 6105 Rivercrest Dr., is concerned about any additional lighting. Screening and lighting are important to maintain a separation from the commercial and residential districts.

Harv Thompson, 6108 Rivercrest Dr., is in support of the Hot Dawg Hut, and appreciates that the conservancy has been a good buffer in the past between residential and commercial.

Dave Thoresen, 6106 Rivercrest Dr., questioned if the speaker system for the drive-thru could be redirected.

John Hauser, 6105 Rivercrest Dr., is concerned about the amount of lighting to be left on after the close of business.

Haldeman would extinguish the parking lot light after closing and would keep security lighting on the building.

Thoresen closed the public hearing at 7:47 p.m.

Motion by Robb, seconded by Kensgaard to approve the Conditional Use Permit allowing The Hot Dawg Hut to operate at 6115 Hwy. 51 with the following conditions:

1. Any new lighting to be reviewed by staff.
2. Restaurant hours not to exceed Monday – Friday from 6 a.m. – 11 p.m., Saturday from 8 a.m. – 11 p.m., and Sunday from 8 a.m. – 8 p.m.
3. Parking lot lighting to be extinguished no later than one half hour after closing.

Motion carried.

6. Thoresen opened a public hearing at 7:50 p.m. to hear public comment on a request for a Conditional Use Permit allowing Tile It, Ltd. to operate at 4219 Triangle St. Owner Greg Welsh is planning to use the building on Triangle St. mostly for storage and supplies. Any cutting of tile within the building will be completed with a wet saw and will not require special ventilation. Due to the nature of the work, most of the work will be completed on the job site. Welsh's parking needs are limited, with having four trucks for his business.

Thoresen closed the public hearing at 7:53 p.m.

Motion by Zinkgraf, seconded by Obst to approve the Conditional Use Permit allowing Tile It, Ltd. To operate at 4219 Triangle St. with the following conditions:

1. No outside storage or stockpiling of materials.
2. Parking for no more than two trailers at the rear of the parking lot.
3. No outside cutting of tiles or other materials.

Motion carried.

7. & 8. Thoresen opened a public hearing at 7:55 p.m. to hear public comment on a request for a Conditional Use Permit by Wade & Michelle Huston to construct a mixed-use, retail and residential, building at 5920 Exchange St. The Huston's presented a revised site plan which includes changes the Commission has requested at past concept reviews. The building will house three rental units for professional space as well as apartments above. The colors of the building will be in a natural clay with the gables in a desert sand, and the roof will be light brown completed in a shake style. The siding material will look like real wood from a distance. The windows will be double hung with dividers, and the first floor windows will be casements. Dividers could be placed on the doors as well. With the smaller building size, more parking spaces were able to be created. The site will contain 20 stalls, including two handicapped. In the past, Huston has considered completing the project in phases. They have instead decided to relocate the beauty shop and construct the building in one phase.

Commissioners like the look of the building, noting it is a great addition to the central part of the Village. Concerns were of an inconsistency with the window groupings on the west elevation and with dumpster screening. Wade would make the necessary changes, and Boness requested a revised site plan showing the revisions.

Thoresen closed the public hearing at 8:09 p.m.

Motion by Lenz, seconded by Kensinggaard to approve the Conditional Use Permit and Site Plan allowing a mixed-use, retail and residential, building at 5920 Exchange St. with the following conditions:

1. Installing dividers on the windows and doors.
2. Utility, sewer, water and storm water plans be approved by the Village Engineer.
3. Sprinkling plans for the building to be approved by Deputy Chief Fire Inspector Scott Miller.
4. Screening in the form of landscaping to be installed around the dumpster enclosure.
5. Second floor of the West elevation to have two sets of windows as opposed to three.

Motion carried.

9. Thoresen opened a public hearing at 8:12 p.m. to hear public comment on a request for a Conditional Use Permit to construct a four-unit building on Lot 50, Highland Oaks Subdivision. Tom Gannon, owner and developer of the proposed 4-unit buildings, presented his plans to Commissioners. Each two story, 1400 sq. ft. unit will have its own private garage and entry, full basement, along with a raised deck in the back of the units. Each unit is identical on the first floor, with the second floor consisting of a three-bedroom or two-bedroom option. Gannon's plan is to build only two-bedroom units unless the State code would require him to build some three-bedroom units. The need for multi-family dwellings is prevalent now as it was in 1996 when this plat was approved. At that time, Gannon prepared the area by installing larger water laterals to be able to accommodate the increased need as well as paying impact fees for four-unit homes.

Commissioners expressed concerns about the additional amount of street parking these units could generate due to the possible number of individuals living there. Individuals in the existing housing, having two car garages, are already parking on the street. Gannon is providing three off-street parking spaces per unit, and is only required to provide two by code. The street was designed to accommodate parking.

Robb noticed on Lots 50 and 51, that the amount of square footage is currently adequate for three-units, but the square footage on Lot 52 is adequate only for two-units. Gannon stated the percentage of open space on the four-unit lots is equal to the duplexes across the street with the space in-between buildings being greater than the duplexes.

Steve Laking, Ray Peters, Grace Trochta, Grant Pieters, Jim Trochta, and Fred Heiman, all residents of the area, came to speak on the issues of the additional parking from the units and the safety concern it will create; the additional stormwater runoff from the properties and how it will be handled; who will maintain the property

since they will not be owner occupied but rented; and how the residents would rather keep the greenspace, and do not agree with multi-family in this area.

Jenkins commented on stormwater issues, stating the detention pond was designed to handle the 100-year storm. A possible answer to the problems existing residents are having with stormwater is grading. If water is pooling, grading needs to be redone. Stormwater from the lots proposed for development will mainly drain back to the pond. Jenkins did state there have been several stages of development since the pond was placed, and there is sedimentation that needs to be cleaned from the pond. This is to be cleaned at the last phase of development for Highland Oaks per the development agreement.

Gannon commented on the amount of rainfall we have been having, a total of approximately 12 inches, and stated he has not heard of anyone having a wet basement. He does not have control over soil conditions, and has taken care of water issues which have been brought to his attention. He has informed everyone purchasing property from him that this area is planned for multi-family, and that he will develop these lots with multi-family units. Safety is extremely important everywhere in the Village. It will always be an issue wherever multi-family is developed.

Thoresen agrees Gannon has the right to develop the area with multi-family within the constraints of R-3 Zoning. He is concerned about the parking situation, and states Gannon does meet code requirements. Thoresen does support R-3 development which would not require a CUP.

Obst questioned what sort of understanding the Village and developer have. Obst suggested tabling the request to research any prior understandings.

Thoresen closed the public hearing at 9:27 p.m.

Kensgaard appreciates the comments made about parking on the street. He does not see a big difference in the amount of parking with a three vs. a four unit building.

Plotkin noted how the two lots are over the square footage requirement for a three unit, but with redrawing the lot lines, three units could be placed on each lot.

Zinkgraf would like to know the results of the state's review of the plans, and if ADA requirements need to be met for the structures.

Robb agrees parking is an issue. She could support three two-unit buildings with two car garages.

Motion by Obst, seconded by Plotkin to table the request for a Conditional Use Permit allowing a four-unit building on Lots 50, 51, and 52, Highland Oaks Subdivision to the next Plan Commission Meeting noting the following:

1. Receive answer as to whether or not three bedroom units are required.

2. Receive answer if ADA requirements would be met constructing the units as proposed.
3. Check into any understandings between the Village and Developer as to the number of units to be placed on the lots.

Six ayes, Kensingaard opposed. Motion carried.

(Commissioners took a break from 9:35 – 9:42 p.m.)

15. Thoresen opened a public hearing at 9:42 p.m. to hear public comment on a request to create two zero lot line duplex lots on Lots 134 and 135, Third Addition to Country Wood. Gannon is planning to construct one ranch style duplex and one two-story duplex as has been previously constructed in the area.

Thoresen closed the public hearing at 9:43 p.m.

Motion by Kensingaard, seconded by Lenz to approve the Certified Survey Map creating two zero lot line duplex lots on Lots 134 and 135, Third Addition to Country Wood Subdivision.

Six ayes, Zinkgraf abstains. Motion carried.

16. Boness explained that Gannon has asked to have the next two items tabled due to possible issues the County has with the right-of-way within the final plat. Boness indicated Gannon will need to ask for an extension for the Village Board's review of the final plat.

Motion by Obst, seconded by Lenz to table the Development Agreement for Fieldstone Addition to Highland Oaks Subdivision. Motion carried.

17. Motion by Obst, seconded by Lenz to table the Final Plat of Fieldstone Addition to Highland Oaks Subdivision. Motion carried.

18. Tim Neitzel presented a revised layout for a daycare center he desires to construct on Lot 1 of Woodland Commons. He is now proposing to construct three individual buildings. One for the day care center, another for a professional office building, and a building for an unknown tenant. Commissioners like the proposed plans noting the interior parking will allow for more of the buildings and landscaping to be seen; this is a good location and will provide a needed service along with more employment; the three individual buildings promote a better look rather than that of a strip mall. Issues to be resolved are the access off of Taylor Road, how to best resolve stormwater for this area, as well as the detention pond. Robb cautioned when reconfiguring the layout to keep the semi trucks from being too close to the day care center.

Neitzel also presented a revised layout for the proposed McDonald's building. He will be adjusting the lot lines to be able to clear the 75 foot buffer strip needed from the wetlands. Thoresen informed Commissioners, this project was discussed the week prior at the Public Works Meeting. One concern is to reconfigure the detention

ponds and to establish them as soon as possible. Neitzel has discussed this with his engineer for resolution. Commissioners commented on the amount of parking planned for the establishment. Boness will refer to the Code to determine the amount of parking necessary once the seating area is determined. Obst feels that more parking is better to avoid potential parking problems in the future. Commissioners feel this is the best layout of what has been proposed for the McDonald's.

Neitzel presented a concept plan for a multi-tenant building on McFarland Ct. The building would present a corporate image being built of masonry and stucco on its front and sides and metal in its rear. Neitzel is requesting fenced storage. Trees would be strategically placed to shield the fenced in area. According to the Code, design standards do not allow for metal panels in the back of the building, which the Plan Commission does have the ability to waive if appropriate. Boness added fenced-in storage is allowed as an accessory storage only to the use. Neitzel is presenting parking lot connections to the other lots he currently owns to promote better traffic flow. Commissioners feel the project has potential and would like to look at the site. Jenkins requested to look at a stormwater report for the area, and to be able to show the Public Works Committee. Boness reminded Neitzel a maintenance agreement would be required, and the project may need to be reviewed by the Public Works Committee.

19. Doug Fendry is proposing to have a used car dealership at the corner of Hwy. 51 and Dale Rd. The building next to Weaver Auto Parts became available which meets the requirements he has for his potential business. (Fendry's business plan is attached to the minutes.) Commissioners have a number of concerns including: the driveway access to this parking lot is often used to get to the other businesses next to it, and the existing amount of parking available is already limited; the Commission does not want to block any more site lines along Hwy. 51; and the cars to be displayed outside will most likely have lights on them, which the Village does not want. Commissioners will agree with what the Code allows them to do, which is the indoor storage of four cars and one car in front of the building for display. Boness will refer with the Village Attorney if another type of review or interpretation exists.

20. Old Business.

Motion by Kensgaard, seconded by Plotkin to table indefinitely discussion on rezoning Lot 1, CSM 8015, 4701-4709 Triangle St., from C-P, Commercial Park to C-H, Commercial Highway. Motion carried.

21. New Business

22. The Community Development Highlights were in the Commissioners' packets for review.

23. Motion by Zinkgraf, seconded by Kensgaard to adjourn the meeting. Motion carried. The meeting was adjourned at 11:00 p.m.

RESOLUTION # 05-2004

RESOLUTION CREATING TAX INCREMENT DISTRICT NO. 3 VILLAGE OF MCFARLAND, WISCONSIN

WHEREAS, Wis. Stats. § 66.1105 provides the authority and procedure for creation of Tax Increment Districts; and

WHEREAS, a public hearing was properly noticed and held by the Village Plan Commission on June 21, 2004, wherein interested parties were afforded a reasonable opportunity to express their views on the proposed creation of a Tax Increment District and the proposed boundaries thereof; and

WHEREAS, the Chief Executive Officers of the School District of McFarland, Dane County, and other entities having the power to levy taxes on the property located within the proposed Tax Increment District have been notified, including the School Board of any School District which includes property within the proposed District pursuant to Wis. Stats. § 66.1105 (4)(e); and

WHEREAS, pursuant to such procedure and after due reflection and consideration, the Plan Commission has favorably recommended to the Village Board of the Village of McFarland the creation of a Tax Increment District, the lands of which are shown on a map on the attached Exhibit A, which is entitled "Village of McFarland TID No. 3 Map 1: TID Boundary";

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of McFarland as follows:

1. The Village Board deems the creation of the proposed Tax Increment District to be in the public interest and a proper public purpose.
2. The Village Board adopts as the boundaries of the Tax Increment District those boundaries recommended by the Village Plan Commission and attached hereto as Exhibit A.
3. The Village Board resolves that January 1, 2004, be and hereby is the date of creation of said Tax Increment District No. 3, Village of McFarland.
4. The name of the District shall be "Tax Increment District No. Three, Village of McFarland."
5. The Village Board hereby finds that:

- (a) Not less than 50% by area, of the real property within such District is a blighted area within the meaning of Wis. Stats. § 66.1105(2)(a); or is in need of rehabilitation or conservation work within the meaning of Wis. Stats. § 66.1337(2m)(b); or is suitable for industrial sites within the meaning of Wis. Stats. § 66.1101 and has already been zoned for industrial use;
 - (b) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in such District;
 - (c) The project costs relate directly to eliminating blight, directly serve to rehabilitate or conserve the area or directly serve to promote industrial development, consistent with the purposes for which the Tax Increment District is being created;
 - (d) The equalized value of taxable property in the District does not exceed 7% of the total equalized value of taxable property within the Village of McFarland.
6. The real property within such District that is suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for life of such District.

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on the 9th day of August, 2004.

APPROVED:



Erik Thoresen, Village President

ATTEST:



Deb Neal, Village Clerk

VOTE:

Ayes: 7

Noes: 0

Published: 08/19/04

Adopted: 08/09/04

Map 1: TID Boundary

STATE OF WISCONSIN }
DANE COUNTY } ss.

Wayne Toske, being duly sworn, both depose and say that he is the general manager of the McFarland Thistle, a newspaper published at the Village of McFarland, in the County of Dane, State of Wisconsin, and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

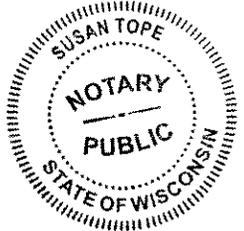
August 19, 2004

(Signed) Wayne P. Toske
General Manager

Subscribed and sworn before me this 19th day of August, 2004

Susan Tope
Notary Public, State of Wisconsin

My Commission expires April 23, 2006
No. Lines 99 No. Times 1 Affidavit Fees \$ 1.00
Printers Fees \$ 57.52
Total \$ 58.52



Official Publication

**RESOLUTION #05-2004
RESOLUTION CREATING TAX
INCREMENT DISTRICT NO. 3
VILLAGE OF**

McFARLAND, WISCONSIN
WHEREAS, Wis. Stats. § 66.1105 provides the authority and procedure for creation of Tax Increment Districts; and WHEREAS, a public hearing was properly noticed and held by the Village Plan Commission on June 21, 2004, wherein interested parties were afforded a reasonable opportunity to express their views on the proposed creation of a Tax Increment District and the proposed boundaries thereof; and WHEREAS, the Chief Executive Officers of the School District of McFarland, Dane County, and other entities having the power to levy taxes on the property located within the proposed Tax Increment District have been notified, including the School Board of any School District which includes property within the proposed District pursuant to Wis. Stats. § 66.1105 (4)(e); and WHEREAS, pursuant to such procedure and after due reflection and consideration, the Plan Commission has favorably recommended to the village board of the Village of McFarland the creation of a Tax Increment District, the lands of which are shown on a map on the attached Exhibit A, which is entitled "Village of McFarland TID No. 3 Map 1: TID Boundary";

NOW, THEREFORE, BE IT RESOLVED by the Village Board of the Village of McFarland as follows:

1. The Village Board deems the creation of the Proposed Tax Increment District to be in the public interest and a proper public purpose.
2. The Village Board adopts as the boundaries of the Tax Increment District those boundaries recommended by the Village Plan Commission and attached hereto as Exhibit A.
3. The Village Board resolves that January 1, 2004, be and hereby is the date of creation of said Tax Increment District No. 3, Village of McFarland.
4. The name of the district shall be "Tax Increment District No. Three, Village of McFarland."
5. The Village Board hereby finds that:
 - (a) Not less than 50% by area, of the real property within such District is a blighted area within the meaning of Wis. Stats. § 66.1105(2)(a); or is in need of rehabilitation or conservation work within the meaning of Wis. Stats. § 66.1337(2m)(b); or is suitable for industrial sites within the meaning of Wis. Stats. § 66.1101 and has already been zoned for industrial use;
 - (b) The improvement of such area is likely to enhance significantly the value of substantially all of the other real property in such District;
 - (c) The project costs relate directly to eliminating blight, directly serve to rehabilitate or conserve the area or directly serve to promote industrial development, consistent with the purposes for which the Tax Increment District is being created;
 - (d) The equalized value of taxable property in the district does not exceed 7% of the total equalized value of taxable property within the Village of McFarland.
6. The real property within such District that is suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for life of such District.

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on the 9th day of August, 2004.

APPROVED:
Erik Thorsen, Village President

ATTEST:
Deb Neal, Village Clerk
VOTE:
Ayes: 7
Noes: 0
Published: 08/19/04
Adopted: 08/09/04
PUB. The McFarland Thistle: August 19, 2004

R E S O L U T I O N # 06-2004

**RESOLUTION APPROVING TAX INCREMENT
DISTRICT NO. 3 PROJECT PLAN
VILLAGE OF MCFARLAND, WISCONSIN**

WHEREAS, the Village of McFarland Plan Commission has prepared and adopted a Project Plan for Tax Increment District No. 3 ("TID No. 3") which:

1. Includes a statement listing the times, number and location of all proposed public works or improvements within such district;
2. Contains an economic feasibility study;
3. Contains a detailed list of estimated project costs;
4. Contains a description of the method of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
5. Includes a map showing existing uses and conditions of real property in such district;
6. Includes a map showing proposed improvements and uses in such district;
7. Shows proposed changes of zoning ordinances, master plan, building codes and Village ordinances;
8. Contains a statement that there are no non-project costs currently being considered in connection with TID No. 3;
9. Contains a statement of a proposed method for the relocation of any person to be displaced;
10. Indicates how creation of TID No. 3 promotes the orderly development of the Village of McFarland; and

WHEREAS, the Plan Commission has held a public hearing on the proposed Project Plan and has notified the Chief Executive officers of all local government entities having the power to levy taxes on property within the proposed district, including the School Board of any School District which includes property within the district, pursuant to Wis. Stats. § 66.1105(4)(e); and

WHEREAS, the Plan Commission has approved and submitted such Project Plan to the Village Board of the Village of McFarland;

NOW, THEREFORE, BE IT RESOLVED that the McFarland Village Board expressly finds that:

1. The Project Plan for Tax Increment District No. 3, Village of McFarland, is feasible; and
2. Such Project Plan is in conformity with the Master Plan of the Village of McFarland.

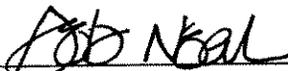
BE IT FURTHER RESOLVED that the McFarland Village Board hereby approves the Project Plan for Tax Increment District No. 3 pursuant to the provisions of Wis. Stats. § 66.1105(4)(g).

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on the 9th day of August, 2004.

APPROVED:


Erik Thoresen, Village President

ATTEST:



Deb Neal, Village Clerk

VOTE:

Ayes: 7

Noes: 0

Published: 08/19/04

Adopted: 08/09/04

PROOF OF PUBLICATION

STATE OF WISCONSIN }
DANE COUNTY } ss.

Wayne Toske, being duly sworn, both depose and say that he is the general manager of the McFarland Thistle, a newspaper published at the Village of McFarland, in the County of Dane, State of Wisconsin, and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

August 19, 2004

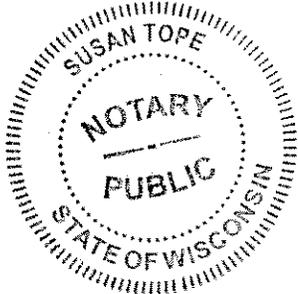
(Signed) Wayne P. Toske
General Manager

Subscribed and sworn before me this 19th day of August, 2004

Susan Tope
Notary Public, State of Wisconsin

My Commission expires April 23, 2006

No. Lines 80 No. Times 1 Affidavit Fees \$ 1.00
Printers Fees \$ 46.49
Total \$ 47.49



Official Publication

RESOLUTION #06-2004
RESOLUTION APPROVING TAX
INCREMENT DISTRICT NO. 3
PROJECT PLAN
VILLAGE OF
MCFARLAND, WISCONSIN

WHEREAS, the Village of McFarland Plan Commission has prepared and adopted a Project Plan for Tax Increment District No. 3 ("TID No.3") which:

1. Includes a statement listing the times, number and location of all proposed public works or improvements within such district;
2. Contains an economic feasibility study;
3. Contains a detailed list of estimated project costs;
4. Contains a description of the method of financing all estimated project costs and the time when the related costs or monetary obligations are to be incurred;
5. Includes a map showing existing uses and conditions of real property in such district;
6. Includes a map showing proposed improvements and uses in such district;
7. Shows proposed changes of zoning ordinances, master plan, building codes and Village ordinances;
8. Contains a statement that there are no non-project costs currently being considered in connection with TID No. 3;
9. Contains a statement of a proposed method for the relocation of any person to be displaced;
10. Indicates how creation of TID No. 3 promotes the orderly development of the Village of McFarland; and

WHEREAS, the Plan Commission has held a public hearing on the proposed Project Plan and has notified the Chief Executive officers of all local government entities having the power to levy taxes on property within the proposed district, including the School Board of any School District which includes property within the district, pursuant to Wis. Stats. § 66.1105(4)(e); and

WHEREAS, the Plan Commission has approved and submitted such Project Plan to the Village Board of the Village of McFarland;

NOW, THEREFORE, BE IT RESOLVED that the McFarland Village Board expressly finds that:

1. The Project Plan for Tax Increment District No. 3, Village of McFarland, is feasible; and
2. Such Project Plan is in conformity with the Master Plan of the Village of McFarland.

BE IT FURTHER RESOLVED that the McFarland Village Board hereby approves the Project Plan for Tax Increment District No. 3 pursuant to the provisions of Wis. Stats. § 66.1105(4)(g).

The above and foregoing Resolution was duly adopted at a regular meeting of the McFarland Village Board on the 9th day of August, 2004.

APPROVED:
Erik Thoresen, Village President

ATTEST:
Deb Neal, Village Clerk

VOTE:
Ayes: 7
Noes: 0
Published: 08/19/04
Adopted: 08/09/04

MINUTES

VILLAGE OF MCFARLAND T. I. D. No. 3 JOINT REVIEW BOARD AUGUST 31, 2004

1. **CALL TO ORDER.** The meeting of the Tax Incremental Finance District No. 3 Joint Review Board was called to order by Chair Erik Thoresen at 7:00 p.m. in Conference Room A of the Municipal Center. The following Review Board members were present.

- | | |
|----------------------|-------------------|
| Dane County | - Kevin Kesterson |
| Village of McFarland | - Erik Thoresen |
| Member –At-Large | - Keith Weiss |

Also present were Susan Hoeft, consultant from Vandewalle and Associates; Administrator Don Peterson; and Pauline Boness, Community Development Director.

2. **APPROVAL OF MINUTES.** The Minutes of the meeting of June 21, 2004 were approved on motion by Kesterson, seconded by Weiss and carried unanimously by acclamation.

3. **REVIEW OF JOINT REVIEW BOARD INFORMATION.** Susan Hoeft briefly reviewed with the Board members the statutory information related to the proposed TID public improvements and financial projections and the criteria to be used in deciding whether to approve or deny the proposed plan and boundary designation for TID No. 3.

Ms. Hoeft also explained that an error in the drafting of recent State legislation revising rules for tax incremental districts could pose a temporary complication with the proposed plan. In making changes to the current law earlier this year, the Legislature clearly intended that the maximum spending period permitted for industrial TIDs be extended to eighteen years and the project plan reflects the intended change. Due to the drafting error, the present spending period for these TIDs is limited to seven years. Because the correction to the extended spending period is expected to occur in the near future, Hoeft recommended leaving the plan unchanged at the present time.

4. **ADOPTION OF RESOLUTION.** The Board members reviewed the public record of prior actions of the Plan Commission and Village Board related to the creation of TID No. 3, the designation of the boundaries, and the approval of the project plan. On motion by Kesterson, seconded by Weiss and carried unanimously by acclamation, the Board adopted the attached Resolution approving the previous Village Board resolutions creating Tax Incremental Finance District No. 3 and adopting the project plan.

5. **OTHER ITEMS OF BUSINESS.** The Joint Review board will only meet in the future on an as-needed basis. Since it has been approved by the Village prior to the September 30 cut-off date, it is expected that the Wisconsin Department of Revenue will certify the new TID retroactive to January 1, 2004.
6. **ADJOURNMENT.** On motion by Weiss, seconded by Kesterson and carried unanimously by acclamation, the meeting was adjourned at 7:09 p.m.

Respectfully submitted,

Don Peterson
Village Administrator

H

**RESOLUTION APPROVING VILLAGE BOARD RESOLUTIONS
CREATING TAX INCREMENTAL FINANCE DISTRICT NO. 3
AND ADOPTING THE PROJECT PLAN**

VILLAGE OF MCFARLAND, WISCONSIN

WHEREAS, the Joint Review Board, Tax Incremental District No. 3, Village of McFarland, Wisconsin, has reviewed the public record, planning documents and resolutions related to the creation of and project plan for Tax Incremental District No. 3, Village of McFarland, Wisconsin; and

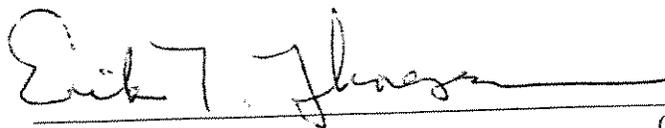
WHEREAS, the Joint Review Board, Tax Incremental District No. 3, Village of McFarland, Wisconsin has received in an open meeting additional information from the Village of McFarland staff regarding the creation of and project plan for Tax Incremental District No. 3, Village of McFarland, Wisconsin.

NOW, THEREFORE, BE IT RESOLVED that the Joint Review Board finds:

1. The development expected in TIF District No. 3, Village of McFarland, Wisconsin, would not occur without the use of tax incremental financing;
2. The economic benefits of TIF District No. 3, Village of McFarland, Wisconsin, as measured by increased employment, business and personal income and property value, are sufficient to compensate for the cost of the improvements;
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

Adopted this 31st day of August, 2004.

JOINT REVIEW BOARD
TAX INCREMENTAL DISTRICT No. 3
VILLAGE OF MCFARLAND, WISCONSIN



Chair

JOINT REVIEW BOARD
TIF DISTRICT NO. 3
VILLAGE OF MCFARLAND
INFORMATION AND PROJECTIONS

Wisconsin state law requires that certain information and projections be provided to the Joint Review Board. The contents of this information is listed in Section 66.1105(4)(i), Wis. Stats.

(i) *The local legislative body shall provide the joint review board with the following information and projections:*

1. *A list of project costs, the total dollar amount of these project costs to be paid with the tax increments, and the amount of tax increments to be generated over the life of the tax incremental district.*

Response:

Activities for TID No. 3 are listed in Table 1 of the project plan. The total cost of all activities is estimated to be approximately \$9,018,965 which is to be paid with tax increments (estimated to be approximately \$7,444,965) and other sources of funding (estimated to be \$1,574,000) which may include special assessments, matching funds, CIP or donations. An estimated total new development increment of \$28,728,000 is anticipated to be generated over the life of the district.

2. *The amount of the value increment when the project costs in subd. 1 are paid in full and the tax incremental district is terminated.*

Response:

Allowing for a two (2%) percent real estate inflation factor, the total increment value of the TID #3 is estimated to be approximately \$54,850,000 when the district is terminated.

3. *The reasons why the project costs in subd. 1 may not or should not be paid by the owners of property that benefits by improvements within the tax incremental district.*

Response:

The costs associated in the TID #3 project plan are typical of public improvement costs associated with industrial and highway corridor redevelopment activities. The primary areas of public purpose improvement costs are in traffic circulation

and safety improvements, streetscape, entry (gateway) and wayfinding, as well as redevelopment funding for new business and real estate development and redevelopment. The TID is located on both sides of USH 51 as it enters McFarland from the north. This is a key transportation corridor as it links the Village to the South Beltline and the Interstate system to the east as well as Madison to the north.

The Village has undertaken a comprehensive plan which shows the reuse of some of the properties within the TID boundary. There is a significant amount of underutilized property and some properties that are vacant. A major portion of the properties are gasoline tank farms that pose a significant challenge to the aesthetic and economic condition of the surrounding properties.

It is not anticipated that the tank farms will be removed and/or upgraded in the near future. However, development proposals suggest that reuse of abutting and underutilized property is a near-term reality and the Village's use of tax increment financing will help to accelerate that situation.

The TID project plan provides infrastructure improvements as well as business recruitment incentives to accelerate the redevelopment of this area. To comprehensively complete the proposed improvements out of the tax levy of the Village would be impossible and extremely burdensome to the entire Village. It would also be economically crippling for the individual property owners within the District itself. Consequently, this is one reason why the property owners within the district should not bear the entire burden of these costs.

4. *The share of the projected tax increments in subd. 1 estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the tax incremental district.*

Response:

The financial feasibility study for TID #3 indicates that approximately 75% of the direct project costs listed in Table 1 (including cost of capital as shown in the Debt Service column of Table 4) associated with the district will be paid by tax increments generated within the district. The statutes require that the Village provide the share of the projected tax increments that would be paid by the taxable property owners within TID #3.

If all development in the TID would occur without the use of tax incremental financing, the taxes from that development are assumed to gross approximately \$15,592,000. If this were the case, the tax revenues would be divided as follows:

State of Wisconsin	1%	\$155,910
Dane County	13%	2,026,830
McFarland School District	47%	7,327,770

Madison Area Technical College	6%	935,460
Village of McFarland	33%	5,145,030

(Discrepancies may occur due to rounding)

If the premise is that development would occur without the use of tax incremental financing, each of these taxing jurisdictions would receive their proportionate share of the taxes levied on the new development. However, if the premise is that the development would not occur as projected in the project plan without the use of tax incremental financing, the overlying taxing jurisdictions would not be receiving this estimated tax revenue over the 23 year period.

5. *The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the project tax increments in subd. 4.*

Response:

The activities of TID #3 will benefit all property taxpayers by increasing the value of underutilized property, creating jobs, upgrading the aesthetics of the USH 51 corridor and, consequently, the entry to the Village of McFarland, by enhancing landscaping and providing screening for less than desirable types of uses as well as stimulating economic growth and its resulting increase in tax base. Elimination of blight is also another critical factor that the overlying taxpayers will realize. By eliminating blight, economic development potentials will more easily come to the Village in this area and properties that are in need of redevelopment will turn over more quickly and provide higher quality real estate and, eventually, better paying jobs for those new property uses. This, in essence, will benefit all taxpayers within the region.

JOINT REVIEW BOARD

TIF DISTRICT NO. 3

VILLAGE OF MCFARLAND

DECISION CRITERIA

Under the Wisconsin Statutes, Joint Review Boards must base their decision to approve or deny a proposed tax incremental district plan and boundary designation on the following criteria:

- A. *Whether the development expected in the tax incremental district would occur without the use of tax incremental financing;*
- B. *Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value are sufficient to compensate for the cost of improvements; and*
- C. *Whether the benefits of the proposal outweigh the anticipated loss of tax increments to be paid by the owners of property in the overlying tax districts.*

This report has been prepared to address those criteria by providing some information and data on the impact of TID #3 on the Village of McFarland. The criteria are addressed in turn below.

- A. TID #3 is created for the purpose of stimulating new development and redevelopment within the district boundaries. At the present time, there has been very little redevelopment in USH 51 corridor located among the “tank farms”. A previous TID saw significant development on the east side of Highway 51. It is anticipated that with the creation of TID No. 2, similar types of development will take place as well as the eventual turnover of some of the tank farm properties into higher and better uses. To date, these properties are partially, if at all, serviced with utilities. Consequently, development of any significance will not take place until the properties are fully serviced. In addition, historic uses have made the redevelopment of these properties to be difficult, at best. Economic development incentives will be necessary to recruit appropriate highest and best uses that will benefit the entire district. Without these recruitment incentives, the types of uses desired by the Village will not come to the district, thereby fulfilling the “but for TIF” requirement in the statute.
- B. The economic benefits anticipated for TID #3 include the stabilization of the viability of existing properties as a result of new development and redevelopment within the district. Currently, most of the land is developed but is severely underutilized or contains uses that are not the highest and best use. Recruitment of higher tax base types of uses will generate enough increment to pay for the costs anticipated to be expended within the district. The analysis in Tables 3 and 4 anticipate that the real estate taxes alone will generate enough tax revenue to pay for the bonding associated with completing the proposed projects.

- C. Creation of TID #3 will encourage the orderly growth of the entry to the community and difficult industrial area of the Village by completing the construction of public infrastructure improvements to develop underutilized lands and redevelop lands to a higher and better use. In addition, redevelopment funding will provide a source of funding that can assist in redevelopment activities through land assemblage, relocation, financing options and similar redevelopment activities.

Village residents as well as residents in the overlying taxing jurisdictions will all benefit from the improvements proposed to be completed within TID #3. All of the improvements will be available and/or used by all businesses within the TIF district and abutting properties. Redevelopment of vacant and/or under utilized properties will also benefit not only the Village but the overlying taxing jurisdictions with increased spending, needs for retail services which will, in turn, create jobs for regional residents to capture. Increased revenues, in addition to taxes, will contribute to sound economic growth in the region and will benefit the entire region. It is the Village's position that all of these benefits outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.