

A Planning Document for

Village of McFarland, Wisconsin

Project Plan and Boundary Amendment

Tax Increment District No. 3

Amendment No. 1

November 19, 2007 Plan Commission Public Hearing



Planning, Design and
Redevelopment Assistance by:

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Amended Section I. Introduction

The Village of McFarland created TID #3 in 2004. At the time of creation, the Village Board, Village staff and Consultants determined that the boundary, as found in the TID #3 project plan, was configured to accomplish the goals and objectives that the Village had wanted to implement within the project area. Subsequent to the creation in 2004, some of the property owners immediately abutting and benefitting from comprehensive improvements either undertaken or scheduled to be constructed have come forth and requested that their properties be included the TID boundary through a boundary amendment. The Village Board and Community Development Authority (CDA) found it logical to include these properties into the comprehensive boundary which would, in the long term, encourage the orderly growth in these areas. This document reflects this boundary amendment. The Village will complete the statutory process of the first boundary amendment to TID #3.

Implementation of the project plan and construction of the proposed improvements listed will still require 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 the project is scheduled for construction. The Village Board is not mandated to make the public expenditures in this plan. The public expenditures are an itemization of TIF-eligible project costs that the Village may undertake as well as a guide for the Plan Commission and Village Board to assist them in the decision-making process for public expenditures. Redistribution of project costs within the total budget estimate will not require amendments to the plan, provided that the project meets the purpose and intent of TID No. 3.

As required by Sec. 66.1105(5)(b), Wis. Stats., a copy of this project plan will be submitted to the Department of Revenue and used as a basis for their certification of TID No. 3 in the Village of McFarland.

Amended Sections included in TID #3 Amendment #1 include:

Amended Section I: Introduction

Amended Section III: Tax Increment District Boundary Description

Amended Section V: Proposed Public Works, Estimated Costs and Economic Feasibility

Amended Map 1

Amended Tables, 1, 2, 3 & 4

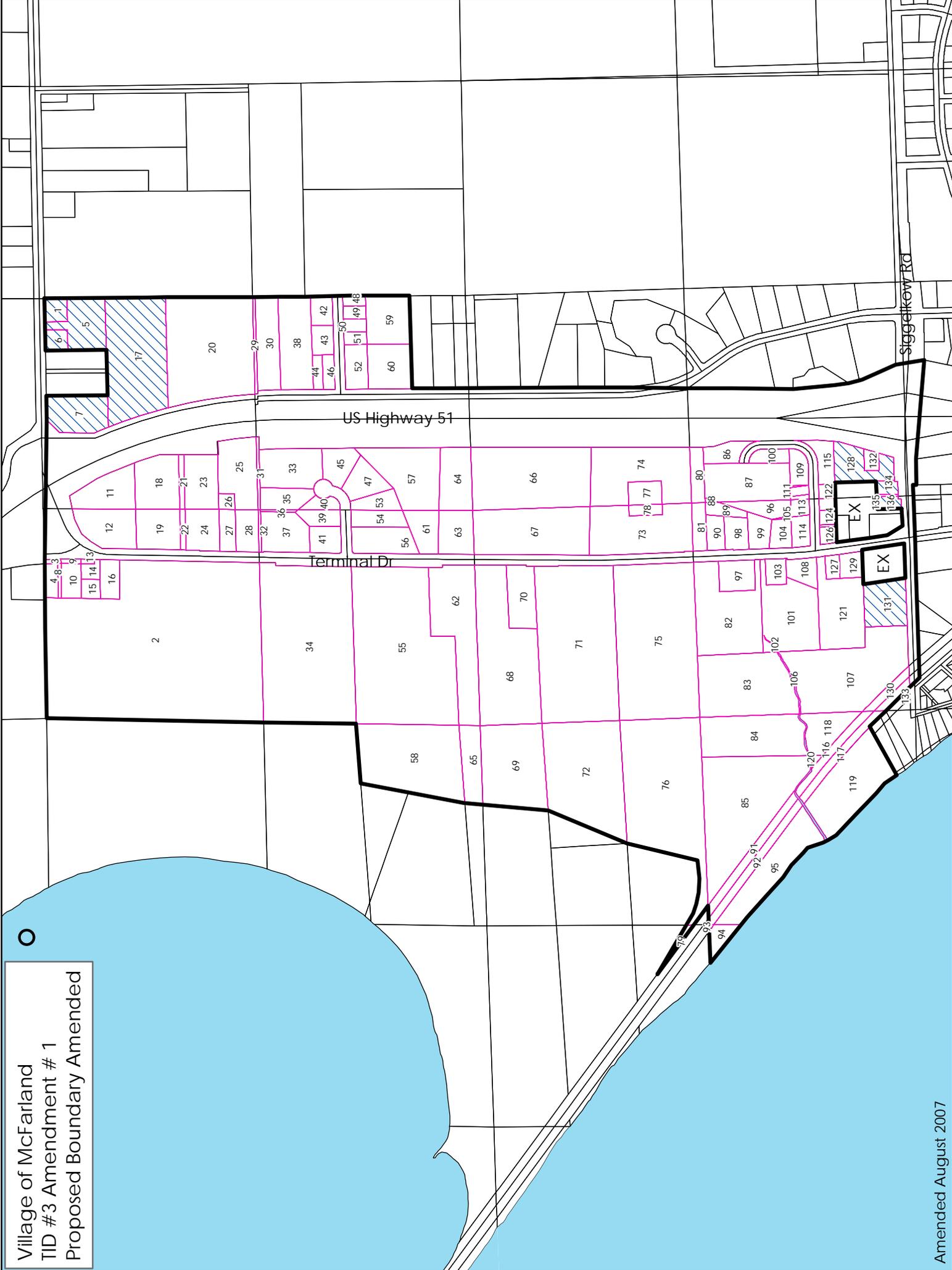
If Sections, maps or tables are not included, no change was made from the original project plan.

Amended Section III. Tax Increment Boundary Description and Equalized Values

The boundaries of the TID No. 3 are designated on Amended Map One. The amended parcels are cross-hatched on the map. They are either in industrial, commercial or residential use or are vacant. The future land use of the parcels is anticipated to be highway commercial, industrial, residential and or mixed use.

As of January 1, 2007, TID #3 had used only 3.01% of the total equalized value of the Village. This equates to an increment value of \$22,418,200. The total equalized value of the Village was \$744,821,400, thus the 12% capacity issue is not a factor with this amendment.

Village of McFarland
TID #3 Amendment # 1
Proposed Boundary Amended



Amended Section V. Proposed Public Works, Estimated Costs and Economic Feasibility

Amended Tables 1, 2, 3 and 4 address the changes that the Village is proposing to the public works projects, development increment assumptions and those changes on the impact on economic feasibility.

In the original project plan dated 2004, Table 1 listed the proposed public improvements that the Village wanted to undertake during the spending period of TID #3. The estimated costs for these public improvements totaled \$9,018,965. It is being proposed that additional projects be added to the TID #3 proposed public improvements. These additional projects, however, are actually extensions or higher dollar amounts for projects already contained within the original project plan. These projects include:

1. Increasing the cost of the sanitary sewer in Terminal Drive from \$857,300 to \$1,000,000
2. Moving the entire cost of Terminal Drive Street Improvements as a TID project
3. Moving the entire cost of Triangle Street Improvements as a TID project
4. Moving the entire cost of Meinders Road Street Improvements as a TID project
5. Increasing the Planning & Engineering (not project specific) costs from \$250,000 to \$400,000.
6. Increasing the Marketing & Business Recruitment Incentives cost from \$500,000 to \$1,000,000.
7. Increasing the Economic Development Fund from cost \$1,000,000 to \$5,000,000
8. Itemizing the Ivywood Trail improvements as an extension to Terminal Drive improvements at a cost of \$408,153.
9. Adding Siggelkow Road widening, sidewalk, striping of parking and improvements under USH 51 as an extension to Terminal Drive improvements at a cost of \$420,000

These projects are now economically feasible for the TID to undertake because of timing and amount of increment generating exceeding what was originally contemplated in the 2004 project plan. Please refer to Amended Table 1 for the estimated timing of construction. The Village reserves the right to complete the project(s) using other sources of funds or strictly TIF funding.

The costs have consequently been increased from \$9,018,965 to \$14,639, 818, an increase of \$5,620,853. However, as demonstrated in the economic feasibility section below, the TID will cash flow with the existing and anticipated increment and retire prior to 2027, the required retirement date.

VILLAGE OF MCFARLAND
TID #3

AMENDED TABLE 1: PROPOSED PUBLIC IMPROVEMENTS

YEAR	DESCRIPTION	EST in ORIG PPLN	ACTUAL	TOTAL ORIG PPLN	AMEND PPLN	SOURCES OF PROJECT COST REVENUES	
						AMEND TID	AMEND NON-TID
2004-09	Sanitary sewer - Terminal Drive	\$857,300	\$549,342	\$857,300	\$1,000,000	\$1,000,000	\$0
2004-05	Street Improvements - Terminal Drive (urban)	\$1,846,000	\$127,136	\$1,846,000	\$1,846,000	\$1,846,000	\$0
2008	Storm Water Improvements - Terminal Drive Basin (City of Madison to Lake Waubesa)	\$513,665	\$0	\$513,665	\$513,665	\$513,665	\$0
2009	Triangle Street Improvements	\$1,070,000	\$0	\$1,070,000	\$1,070,000	\$1,070,000	\$0
2009	Meinders Road Improvements	\$232,000	\$0	\$232,000	\$232,000	\$232,000	\$0
2008	USH 51 Landscaping	\$250,000	\$0	\$250,000	\$250,000	\$250,000	\$0
2004-2020	Planning & Engineering (not project-specific); Redevelopment Plan	\$250,000	\$112,615	\$250,000	\$400,000	\$400,000	\$0
2004-11	Marketing & Business Recruitment Incentives	\$500,000	\$500,000	\$500,000	\$1,000,000	\$1,000,000	\$0
2004-10	Economic Development Fund	\$1,000,000	\$1,265,443	\$1,000,000	\$5,000,000	\$5,000,000	\$0
2006-15	Land Acquisition, Relocation & Demolition	\$2,500,000	\$140,050	\$2,500,000	\$2,500,000	\$2,500,000	\$0
2005	Ivywood Trail Improvements	\$0	\$408,153	\$0	\$408,153	\$408,153	\$0
2008	Siggelkow Road widening w/ sidewalk, retaining wall & striping of angled parking	\$0	\$0	\$0	\$194,000	\$194,000	\$0
2008	Siggelkow Road improvements under USH 51 overpass	\$0	\$0	\$0	\$226,000	\$226,000	\$0
		\$9,018,965	\$3,102,739	\$9,018,965	\$14,639,818	\$14,639,818	\$0

Amended Table 2 includes actual development value certified by the Department of Revenue through 1/1/2007. It also includes estimates for new development through 2017.

The original project plan estimated \$28,728,000 in assessed valuation of new, net development increment. As stated above, the new equalized increment value as of 1/1/2007 is \$22,418,200. With the anticipated equalization of development that will be constructed in 2007, there is the likelihood that the Village will surpass the \$28,728,000 of originally estimated new increment by 1/1/08 and most definitely by 1/1/2009. The estimated total new development increment, should all projects either under consideration or being proposed be undertaken, could reach as much as \$67,396,200. Amended Table 2 specifies projects that are known to the Village at the writing of this amendment. The original project plan estimates were kept in place if no specific projects were anticipated at this date (see increment assumptions beginning in 2010). The project increment projections are extremely conservative.

Because of the early success of TID #3 and the caution in spending by the Village, the economic feasibility of the TID is in very healthy condition. Even if the Village undertook all projects listed in Amended Table 1 and development occurred only as currently constructed or under construction, the TID would still pay for itself within the statutory time period. Projects anticipated in 2009 and 2010 are likely to happen, thus giving the Village a cushion with complete spending if it should so choose.

Village of McFarland TID #3
 Amended Table 2: Actual and Estimated
 Development Increment Assumptions

Year 1/1	Development	Original Project Plan Estimates	Actual DOR Certified Value	Amended New Developmt Estimates	Actual & Estimated New Increment
2005	High Track Phase 1	\$3,500,000	\$7,102,500	\$0	\$7,102,500
2006	General Industrial	\$3,500,000	\$9,103,700	\$0	\$16,206,200
	High Track Phase 2				
2007	High Track Phase 2	in 2005-2006	\$6,212,000	\$0	\$22,418,200
	City-wide Insulation				
2008	84 Lumber	\$1,000,000		\$4,500,000	\$31,168,200
	City-wide Insulation			\$150,000	
	Car wash			\$100,000	
	Storage Shop USA			\$1,000,000	
	Neitzel project			\$3,000,000	
2009	High Track Phase 3	\$5,000,000		\$5,000,000	\$40,168,200
	Storage Shop USA			\$1,000,000	
	Neitzel project			\$3,000,000	
2010	High Track addition	\$4,500,000		\$5,000,000	\$48,168,200
	Waubesa Village			\$3,000,000	
2011	Waubesa Village	\$500,000		\$3,000,000	\$51,668,200
	General Industrial			\$500,000	
2012	Waubesa Village	\$3,728,000		\$3,000,000	\$55,396,200
	General/Redev Industrial			\$728,000	
2013	Waubesa Village	\$1,000,000		\$3,000,000	\$59,396,200
	General Industrial			\$1,000,000	
2014	Waubesa Village	\$1,000,000		\$3,000,000	\$63,396,200
	General/Redev Industrial			1000000	
2015	General Industrial	\$1,000,000		\$1,000,000	\$64,396,200
2016	General/Redev Industrial	\$1,000,000		\$1,000,000	\$65,396,200
2017	Redevelopment/Housing/Mixed Use	\$2,000,000		\$2,000,000	\$67,396,200
TOTAL ESTIMATED/ACTUAL DEVELOPMENT INCREMENT		\$27,728,000	\$22,418,200	\$44,978,000	\$67,396,200

Note: DOR certified values are equalized; the rest of the estimates are assessed.

TID No. 3 Amendment No. 1

Village of McFarland

Amended 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	0.2010		

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

Totals							\$327,151
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2004	\$7,103	\$0	\$23,655	1.0000	\$23,655	\$7,103	\$0
2005	\$16,206	\$0	\$32,758	1.0200	\$33,413	\$16,861	\$0
2006	\$22,418	\$0	\$38,970	1.0404	\$40,545	\$23,993	\$1,428
2007	\$31,168	\$0	\$47,720	1.0612	\$50,641	\$34,089	\$3,390
2008	\$40,168	\$0	\$56,720	1.0824	\$61,396	\$44,844	\$4,823
2009	\$48,168	\$0	\$64,720	1.1041	\$71,456	\$54,904	\$6,853
2010	\$51,668	\$0	\$68,220	1.1262	\$76,827	\$60,275	\$9,015
2011	\$55,396	\$0	\$71,948	1.1487	\$82,646	\$66,094	\$11,038
2012	\$59,396	\$0	\$75,948	1.1717	\$88,985	\$72,433	\$12,118
2013	\$63,396	\$0	\$79,948	1.1951	\$95,545	\$78,993	\$13,287
2014	\$64,396	\$0	\$80,948	1.2190	\$98,675	\$82,123	\$14,562
2015	\$65,396	\$0	\$81,948	1.2434	\$101,892	\$85,340	\$15,881
2016	\$67,396	\$0	\$83,948	1.2682	\$106,467	\$89,915	\$16,510
2017	\$67,396	\$0	\$83,948	1.2936	\$108,596	\$92,044	\$17,157
2018	\$67,396	\$0	\$83,948	1.3195	\$110,768	\$94,216	\$18,076
2019	\$67,396	\$0	\$83,948	1.3459	\$112,983	\$96,431	\$18,504
2020	\$67,396	\$0	\$83,948	1.3728	\$115,243	\$98,691	\$18,941
2021	\$67,396	\$0	\$83,948	1.4002	\$117,548	\$100,996	\$19,386
2022	\$67,396	\$0	\$83,948	1.4282	\$119,899	\$103,347	\$19,841
2023	\$67,396	\$0	\$83,948	1.4568	\$122,297	\$105,745	\$20,304
2024	\$67,396	\$0	\$83,948	1.4859	\$124,743	\$108,191	\$20,777
2025	\$67,396	\$0	\$83,948	1.5157	\$127,237	\$110,685	\$21,259
2026	\$67,396	\$0	\$83,948	1.5460	\$129,782	\$113,230	\$21,750
2027	\$67,396	\$0	\$83,948	1.5769	\$132,378	\$115,826	\$22,252

All amounts are in \$1,000s

Two year lag between construction & collection of taxes.

TID No. 3 Amendment No. 1

Village of McFarland

Amended Table 4 — Expenditure Analysis

Construction 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	
Totals	\$327,151	\$0	\$327,151	\$14,650				(\$3,142)
2004	\$0	\$0	\$0	\$650	(\$650)	\$39	(\$689)	(\$689)
2005	\$0	\$0	\$0	\$2,275	(\$2,964)	\$178	(\$3,142)	(\$2,453)
2006	\$1,428	\$0	\$1,428	\$178	(\$1,892)	\$0	(\$1,892)	\$0
2007	\$3,390	\$0	\$3,390	\$72	\$1,426	\$0	\$1,426	\$0
2008	\$4,823	\$0	\$4,823	\$2,879	\$3,370	\$0	\$3,370	\$0
2009	\$6,853	\$0	\$6,853	\$5,167	\$5,057	\$0	\$5,057	\$0
2010	\$9,015	\$0	\$9,015	\$1,695	\$12,376	\$0	\$12,376	\$0
2011	\$11,038	\$0	\$11,038	\$1,724	\$21,691	\$0	\$21,691	\$0
2012	\$12,118	\$0	\$12,118	\$1	\$33,807	\$0	\$33,807	\$0
2013	\$13,287	\$0	\$13,287	\$1	\$47,094	\$0	\$47,094	\$0
2014	\$14,562	\$0	\$14,562	\$1	\$61,654	\$0	\$61,654	\$0
2015	\$15,881	\$0	\$15,881	\$1	\$77,534	\$0	\$77,534	\$0
2016	\$16,510	\$0	\$16,510	\$1	\$94,043	\$0	\$94,043	\$0
2017	\$17,157	\$0	\$17,157	\$1	\$111,199	\$0	\$111,199	\$0
2018	\$18,076	\$0	\$18,076	\$1	\$129,274	\$0	\$129,274	\$0
2019	\$18,504	\$0	\$18,504	\$1	\$147,777	\$0	\$147,777	\$0
2020	\$18,941	\$0	\$18,941	\$1	\$166,717	\$0	\$166,717	\$0
2021	\$19,386	\$0	\$19,386	\$1	\$186,102	\$0	\$186,102	\$0
2022	\$19,841	\$0	\$19,841		\$205,943	\$0	\$205,943	\$0
2023	\$20,304	\$0	\$20,304		\$226,247	\$0	\$226,247	\$0
2024	\$20,777	\$0	\$20,777		\$247,024	\$0	\$247,024	\$0
2025	\$21,259	\$0	\$21,259		\$268,282	\$0	\$268,282	\$0
2026	\$21,750	\$0	\$21,750		\$290,033	\$0	\$290,033	\$0
2027	\$22,252	\$0	\$22,252		\$312,285	\$0	\$312,285	\$0

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

Non-tax revenue includes revenue from CIP, grants, special assessments, and donations. It also includes economic development master fund payments (including principal & interest)