

Monday, August 10, 2026

2:00 PM

McFarland Municipal Center
5915 Milwaukee St, McFarland
Community Room

AGENDA

The public may attend in-person or remotely through the Zoom webinar or telephone options listed below. *Please Note: Virtual attendance is offered as a convenience, but technical difficulties beyond the Village's control may prevent or limit its availability at any meeting. The public is encouraged to attend the meeting in person to assure full access to the proceedings.*

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:

<https://us02web.zoom.us/j/87516999201>

Or by Telephone: +1 (312) 626-6799

Webinar ID: 875 1699 9201

Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER.
2. ROLL CALL.
3. PUBLIC APPEARANCES.
 - a. This is an opportunity for attendees to provide public comment on matters that are not on the agenda. Attendees desiring to provide public comment on specific items on the agenda may do so at the time that agenda item is brought up. Zoom attendees wishing to speak should type their name, address, and the relevant agenda item in the Q&A feature within the online meeting platform. Zoom attendees may also register in support or opposition of an item through the Q&A feature. In person attendees should fill out a public comment form and turn into the meeting chairperson. When you are called upon to speak, state your name, address, and provide your public comment. Please adhere to the 3-minute time limit. Written comments will not be read into the record during the meeting but may be sent to community.development@mcfarland.wi.us to be included with the agenda materials.
4. APPROVAL OF MINUTES.
 - a. Approval of the minutes of the July 9, 2026 Joint Review Board Meeting.
5. BUSINESS.
 - a. Discussion regarding creation of a new Tax Increment Finance District #7.
6. SCHEDULE NEXT MEETING DATE.
 - a. To be determined.
7. ADJOURNMENT.

Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible location or format should contact the McFarland Municipal Center at (608)838-3153, 5915 Milwaukee Street, McFarland, Wisconsin, or village.clerk@mcfarland.wi.us by 2:00 p.m. at least 5 business days prior to the meeting so that any necessary arrangements can be made to accommodate each request. If the meeting or request is less than 5 business days from the meeting, requests for accommodations may still be made and reasonable efforts will be made to accommodate each request.

VILLAGE OF MCFARLAND

Joint Review Board

July 9, 2026

MINUTES

1. CALL TO ORDER.

Brassington called the meeting to order at 8:30 AM.

2. ROLL CALL.

Members present: Stephanie Brassington (Village President), Adam Gallagher (Dane County), Sylvia Ramirez (MATC), Jeff Mahoney (McFarland School District)

Members absent: None.

Staff present: Andrew Bremer, McFarland Community & Economic Development Director.

3. PUBLIC APPEARANCES.

None.

4. BUSINESS.

- a. Approval of the minutes of the June 24, 2025 Joint Review Board Meeting.

Brassington moved to approve minutes of the June 24, 2025 Joint Review meeting. Mahoney seconded the motion. Motion carried 4-0.

5. BUSINESS.

- a. Discussion and action to approve Katelyn Howen as the Public Member of the McFarland Joint Review Board for Tax Increment Districts #3, #4, #5, #6, and #7.

Bremer indicated that Tammy Olson resigned her position as the Public Member of the Joint Review Board. The Village Board recommended Katelyn Howen to fill the position. Motion by Brassington to approve Katelyn Howen as the Public Member of the McFarland Joint Review Board for Tax Increment Districts #3, #4, #5, #6, and #7. Seconded by Mahoney. Motion carried 4-0.

- b. Discussion and action to approve Stephanie Brassington as the chair of the McFarland Joint Review Board for Tax Increment District #7.

Motion by Mahoney to approve Stephanie Brassington as the chair of the McFarland Joint Review Board for Tax Increment District #7. Seconded by Howen. Motion passed 5-0.

- c. Discussion and action to accept the 2025 Annual Report for Tax Increment District #3.

Bremer provided a summary of the annual report. Brassington motioned to accept the 2025 Annual Report for Tax Increment District #3. Howen seconded the motion. Motion carried 5-0.

- d. Discussion and action to accept the 2025 Annual Report for Tax Increment District #4.

Bremer provided a summary of the annual report. Mahoney motioned to accept the 2025 Annual Report for Tax Increment District #4. Brassington seconded the motion. Motion carried 5-0.

- e. Discussion and action to accept the 2025 Annual Report for Tax Increment District #5.

Bremer provided a summary of the annual report. Brassington motioned to accept the 2025 Annual Report for Tax Increment District #5. Mahoney seconded the motion. Motion carried 5-0.

- f. Discussion and action to accept the 2025 Annual Report for Tax Increment District #6.

Bremer provided a summary of the annual report. Brassington motioned to accept the 2025 Annual Report for Tax Increment District #6. Howen seconded the motion. Motion carried 5-0.

- g. Discussion regarding creation of a new Tax Increment Finance District #7.

Bremer provided a summary of the draft Project Plan and district boundary for TID #7. TID #7 is proposed as a mixed use TID in the vicinity of the northwest and northeast intersection of Elvehjem Road and CTH AB. The JRB members discussed the draft TID Project Plan including the proposed boundaries, future land uses, projected expenditures, projected revenues, projected cash flow analysis, 12% test, and proposed TID approval timeline. Mahoney inquired whether additional properties in the Sperle Corners subdivision would be included in the proposed TID. Bremer indicated at this time only Lot 18; however, the Village may consider the addition of Lot 17 as well based on additional discussions and cash flow analysis revisions to the draft Project Plan.

6. SCHEDULE NEXT MEETING

- a. To be determined.

7. ADJOURNMENT

Brassington moved to adjourn, seconded by Howen. Motion carried 5-0.
Meeting adjourned at 9:07 AM.

McFarland
SUMMARY SHEET

MEETING DATE: Monday, August 10, 2026

SECTION: Business

DEPARTMENT: Community Development

CONTACT: Andrew Bremer, Comm & Eco Dev Director

AGENDA ITEM: Discussion regarding creation of a new Tax Increment Finance District #7.

PREVIOUS ACTION:

February 11, 2026, CDA reviewed the draft conceptual site plan from Bliffert Lumber and discussed the potential parcels to include in the TID and the type of TID to create.

April 23, 2026, CDA reviewed the draft TID Project Plan maps.

May 13, 2026, CDA reviewed the first draft of the TID Project Plan.

May 26, 2026, Village Board revised the draft TID Project Plan.

June 10, 2026, CDA reviewed the second draft of the TID Project Plan.

June 16, 2026, Plan Commission reviewed the draft TID Project Plan.

July 8, 2026, CDA reviewed the third draft of the TID Project Plan.

July 9, 2026, Joint Review Board annual meeting and TID #7 organizational meeting.

ISSUE SUMMARY:

Included in the packet is a copy of the draft TID #7 Project Plan for the JRB's initial review.

There have been no changes to the draft Project Plan since the JRB's July 9th meeting. Bliffert Lumber has provided an updated concept that includes the addition of another 12,000 square foot warehouse facility as shown in the first attachment. This would require slightly shorting the cul-du-sac and rail spur into the property. The concept is presented for informational purposes and is in keeping with the overall purpose and intent of the Project Plan. The updated concept will require minor modifications to the projected expenditure, revenue and cash flow analysis which will be updated within the Project Plan prior to considering approval. The previously scheduled July 21st Plan Commission public hearing was postponed to August 18th.

Under Wis. Stat. 66.1105 the Joint Review Board is required to meet within 14 days of the first notice of the public hearing, but before the public hearing is held. Therefore, the JRB will meet on August 10th to discuss the draft Project Plan as desired.

TID #7 is proposed as a Mixed-Use TID and would have a 20 year life. The primary purpose of the TID is to aid in the relocation and expansion of Bliffert Lumber from the current downtown location to a proposed small business park located at the northeast corner of Elvehjem Road and CTH AB in the Village. On August 26, 2025, the Village Board approved a non-binding predevelopment agreement with Bliffert Lumber and the owner of the proposed business park property, Elvehjem Acres LLC. The purpose of the predevelopment agreement was to authorize further planning and design work to study the proposed Bliffert Lumber relocation, including preparing a new TID for future consideration of approval by the Village Board. For several



decades, various Village land use plans have identified a goal to relocate the lumber yard to a more compatible location. The proposed business park is located along the same Wisconsin & Southern Railroad that serves the existing lumber yard. A new rail spur would connect to the new lumber yard since Bliffert requires access to the rail for product delivery. The proposed business park would also include two to three additional lots for other future businesses. There are no predetermined businesses for these lots, and each lot would be approximately two acres in size. The Village Board would have the final determination regarding how the lots are zoned and therefore the specific types of businesses that could be in the business park along with Bliffert. The proposed TID would include two additional lots at the northwest corner of Elvehjem Road and CTH AB for future residential development. The purpose of creating the TID is to utilize a portion of the future property taxes that will be created from the proposed developments to aid in paying for public infrastructure necessary to support creation of those developments.

Village staff have been working with our consultant, Becker Professional Services, and the CDA to create and refine the draft Project Plan. The draft Project Plan will continue to be refined as the Village progresses toward final approval of the TID. The Plan Commission will hold a public hearing on the proposed TID at their August 18 meeting at the Municipal Center at 7PM (postponed from the previously planned July 21st meeting). Prior to holding the public hearing the Village is holding a public information meeting on the proposed TID on August 10 at the Municipal Center at 6PM (postponed from the previously planned July 9 PIM). Per Village ordinance, written notification regarding the PIM and public hearing was mailed to all property addresses within the Village and within 400 feet of the proposed TID.

The TID Project Plan is a document that explains:

- The area (Tax Increment District) where the Village intends to use Tax Increment Financing (TIF) to support community and economic development goals.
- The projects the Village intends to undertake over the life of the TID and the estimated costs of those projects.
- The development outcomes the Village anticipates will occur over the life of the TID due to the completion of the proposed projects, including projected tax increment revenues.
- The projected financial feasibility of the TID (cash flow) based on the projected project costs and tax increment revenues.

It is important to note that approval of a TID Project Plan does not approve any specific project expenditures or approve any specific development proposals contemplated in the Project Plan.

After a TID Project Plan is approved by the Plan Commission, Village Board, and Joint Review Board, any specific project expenditure will need to be approved by the Village Board on a case by case basis. It is at that time that more specific information on the design and costs of the proposed project will be available. Similarly, the proposed development envisioned in the Project Plan will need approval by the Village Board or Plan Commission once more detailed zoning, site and building design plans are submitted by property owners for approval.



In preparing the Project Plan, the Village must demonstrate that the projected revenues will be sufficient to pay for the projected expenditures prior to the TID's closure (year 2047). In developing financial cash flow projections, it is common to take a conservative approach regarding revenue projections (e.g. new development, property appreciation rate, and annual changes in tax rate) and assume higher estimated project expenditures. This approach often leads to Project Plans that only show a positive cash flow occurring in the final years of a TID's life. This is the case with the draft Project Plan provided in the packet as shown in Table 8 (page 22). The actual cash flow of the TID will depend on the actual costs and revenues for every year over the life of the TID. The actual performance of the TID is analyzed on a yearly basis by the Village's financial auditors, staff, and Village Board.

The public road and utility cost estimates were provided by the Village Engineer and the estimated rail improvements were provided by railroad design engineers at WATCO, which oversees operations of the Wisconsin & Southern Railroad. The Project Plan assumes the Village is able to obtain a loan from the WisDOT for the rail improvements under their [Freight Rail Road Infrastructure Improvement Program \(FRIIP\)](#). Through this program, the Village can obtain a 10-year loan at 2% interest, which is roughly half the interest rate of the 2025 capital projects borrowing. The Village also submitted a request for Federal appropriations through Senator Baldwin and Representative Pochan offices for an 80% Federal match for the rail improvements. Unfortunately, neither office elected to submit our project to the Appropriations Committee for consideration in the upcoming federal funding bill due to limited funding and the number of requests received for those funds. The Village is also looking into obtaining a [Rail Modernization Tax Credit](#) from the WEDC to support that portion of the TID expenses.

The three parcels proposed for the new TID are further described below. Included in the packet is a map that illustrates development concepts for each property. The concept for Parcel #3 has already been approved by the Village.

- Parcel #1 is 22.3 acres and includes the proposed Elvehjem Acres business park including the proposed Bliffert Lumber lot and three additional lots ranging in size from 1.8 to 2.0 acres. There are no specific users identified for the non-Bliffert lots at this time. This concept has not been officially approved by the Village, nor has any rezone or subdivision plat; however, the intent of the concept is to support planning for the project TID Project Plan.
- Parcel #2 is a 15.7 acres and is owned by the same owner (Kevin Urso) as Parcel #1. The majority of this parcel is open space/wetland. Urso previously presented to the Plan Commission a concept for 7 townhouse units on this parcel. Urso is considering creating a plat of condominium for the townhouses (owner occupied); however, a final determination regarding owner vs. renter occupied units has not been determined. This concept has not been officially approved by the Village, nor has any rezone or subdivision plat; however, the intent of the concept is to support planning for the proposed TID Project Plan.
- Parcel #3 is 7.4 acres and is owned by Lakestone Properties. This is Lot 18 of the Sperle Corners subdivision and is planned for three multifamily apartment buildings totaling 117 units. This subdivision plat was approved by the Village Board on October 28,



2025.

General background information regarding Tax Increment Financing

Tax Increment Financing (TIF) is the most commonly and widely used economic development tool for municipalities in the State and has been in existence since 1976. The process to create, manage, amend, and close TIF districts (TIDs) is regulated under [Wis. Statute 66.1105](#). The Wisconsin Department of Revenue provides State oversight of TIF districts. According to the DOR, there are 1,400 active TIDs in the State. The DOR maintains a [TIF Manual](#) for those interested in a deeper dive into the TIF mechanics, processes and requirements. Common definitions and terms related to Tax Increment Financing:

- TIF (Tax Increment Financing). An economic development financing tool.
- TID (Tax Increment District). The area/boundary where TIF is used.
- Project Plan. A document explaining the financial details, development plans and maps for the TID.
- Base Value. The total value, as equalized by DOR, of the real property located within the TID as of the creation date of the TID.
- Current Value. The total equalized value of the real property in the TID as of January 1 of the current year, certified annually on approximately October 1.
- Tax Increment. The taxes levied by all overlying taxing jurisdictions on the value between the base value and the current value of the TID. The municipality that manages the TID uses these taxes to pay for the approved project costs.
- Value Increment. The difference in value between the Base Value and the Current Value of the TID. This is the amount of property value that can be attributed to the TID investment used to generate the tax increment that pays for the investments.

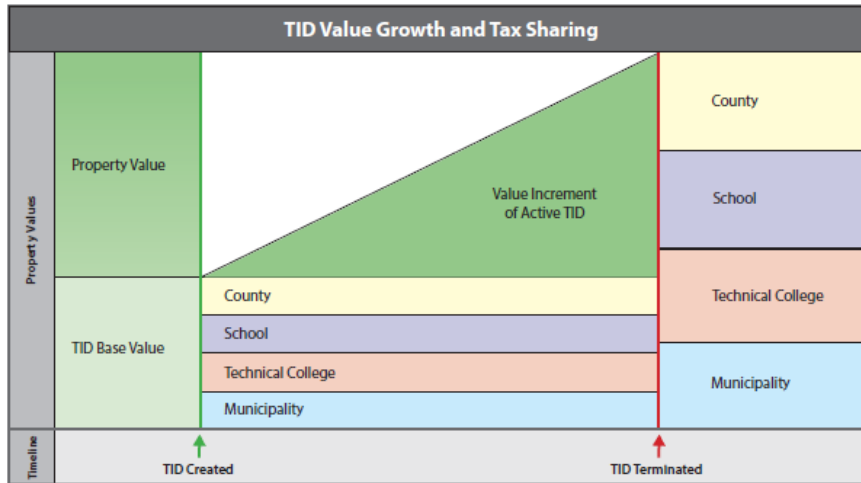
Below is a graphic from the DOR TIF Manual that explains how TIF works:



B. How TIF Works

When a municipality creates a TID, the municipality and other taxing jurisdictions agree to support their operation from the existing tax base within the TID. They agree the municipality will use the taxes on the value increase in the TID to pay for the investment.

1. Sharing the tax base



Essentially, TIF allows a municipality to use the Tax Increment generated within the TID to pay for investments made within the TID that lead to the generation of the Tax Increment. The basic tenants of the creation of a TID is the finding that *but for* the use of TIF the development proposed (Tax Increment) would not occur or would occur to a lesser extent or timeframe; the economic benefits of the TID, as measured by increased employment, business and personal income and property value (Value Increment), are sufficient to compensate for the cost of the improvements; and the benefits of the proposed TID outweigh the anticipated tax increments to be paid to the overlaying taxing jurisdictions.

Generally speaking, there are five types of TIDs: Industrial (15/20), Mixed-Use (15/20), Blighted (22/27), Rehabilitation & Conservation (22/27), and Environmental (22/27). Each type of TID has a maximum expenditure period (first value) and maximum life (second value). The maximum expenditure period is the time during the life of a TID where the municipality may complete projects within the TID, including public works projects or development incentives.

During the remaining five years of the TID, a municipality may only continue to pay down existing TID related debt service and pay for administrative, organizational, legal and accounting services related to managing the TID. The declaration of TID type is based on the type of land that makes up 50% or more of the area in the TID. The proposed TID boundary corresponds with areas identified for Business Park and Medium Density Residential in the [Village's 2023 East Side Neighborhood Plan](#).

Mixed-Use TIDs can only include lands proposed for newly platted residential use if it does not exceed 35%, by area, of the real property in the TID and the residential development meets other qualifications. "Newly platted" refers to land that has not been previously subdivided or is currently subject to a replat as defined in Wis. Stat. 236.02(11). The proposed TID includes approximately 14% of the area for newly platted residential uses. Under state law, increment revenue may only be spent on newly platted residential development in a mixed-use TID if the



TID includes less than 35% of lands proposed for newly platted residential use and if one of the following applies:

1. Density of the residential housing is at least three units per acre. Proposed multi-family residential development in TID #7 would correspond to the Village's East Side Neighborhood Medium Density Residential Future Land Use Category. Chapter 4 of the plan describes these areas as having typical net densities of 5-15 units per acre with individual developments up to 20 dwelling units per acre, with further increases considered for legally restricted affordable housing or developments along existing or future transit corridors.
2. Residential housing is located in a conservation subdivision (not applicable)
3. Residential housing is located in a traditional neighborhood development (not applicable)

Other customary TID boundary creation requirements include that only properties within the municipality can be included in the TID, only whole parcels can be included, and the boundaries of the TID must be continuous. The draft TID boundary map follows these state statute requirements. There are three proposed properties for inclusion in the TID totaling 46 acres.

The total Base Value (current assessment values) is approximately \$470,000. State Statute requires that the total assessment value of parcels proposed for inclusion in a new TID, plus the Value Increment of all existing TIDs in the municipality (\$137,815,000), can't exceed 12% of the Total Equalized Value of properties in the municipality (\$1,836,335,200). This is known as the 12% compliance test. According to the DOR, the Village's 2025 percentage is 7.50%. The creation of the new TID is anticipated to increase this value to approximately 7.53%. Thus, even with the creation of the new TID, the Village will have remaining capacity to create or amend existing TIDs in the future. It is important to note, that the creation of a TID in itself does not create specific obligations of the municipality in terms of approval of certain development proposals or the expenditure of funding. Those decisions are made on a case-by-case basis after the TID is created.

FINANCIAL/BUDGET IMPACT:

The Village's 2026 Capital Improvement budget includes \$25,000 in funding related to various expenses to create the TID. This includes funding for consultant expenses to create the TID Project Plan, public notification expenses, and required Department of Revenue creation fee (\$1,000). These costs are reimbursable from future tax increment if the TID is approved. Costs to provide assistance with land acquisition, railroad, road, and utility infrastructure, and the costs to acquire the existing Downtown lumberyard would be finalized as part of the proposed real estate and development agreements contemplated in the predevelopment agreement. These expenses would then likely occur in 2027, allowing the Village to plan for those expenditures as part of the 2027-2031 Capital Improvement Plan and 2027 Budget. Funding for the potential acquisition of the existing Bliffert Lumber properties would be from existing Tax Increment District #4, via donation of surplus revenue from TID #3.

VILLAGE PLAN REFERENCE:

This proposed project is supported by a number of existing Village plans.



2025-2026 Village Board Strategic Plan

- *Objective 1: Attract and enhance new and existing restaurants, retail, light industrial, office, mixed-use, and civic uses in the downtown area, USH 51/Farwell corridor, East Side Growth Area, and surrounding areas.*
- *Objective 2: Develop incentives for business growth such as incubator programs, tax increment financing districts, and recruitment/retention.*
- *Action Step III: Consider development opportunities created through Pre-Development Agreement with Bliffer Lumber and Elvehjem Acres.*

2023 East Side Plan

The Elvehjem Acres property is identified in [Chapter 4, Master Plan Concept](#), for future Business" or Medium Density Residential, including Map Note #2 which further explains: *This 22-acre parcel is adjacent to an existing rail corridor, which offers an opportunity for a niche rail-support industry. The property is uniquely buffered by wetlands and a major road. Siting an industrial use should take advantage of these buffers, as well as use building architecture to minimize its impact on adjacent uses. If a niche industrial use is not found, medium-density residential is preferred. Chapter 4 describes the "Business" future land use category as "including office buildings, office-showrooms, warehouses, and light industrial buildings that offer retail trade, or services for individuals or businesses. Typical implementing zoning districts include: General Commercial (C-G), Commercial Park (C-P), Highway-Commercial (C-H), Limited Commercial (C-L), and Manufactured-Intensive Commercial (M-IC)."*

2023 Economic Strategic Plan

Strategy #2: Expand Commercial and Industrial Land Base. McFarland only has one remaining vacant industrial zoned property and needs additional commercial and industrial land. The Village is in the unique position to be programming new space in the community via the East Side Plan as the property along McFarland's east side is available and prime for development to meet the community's needs for the next several years. Additional work to be done in tandem with development includes extending utilities, road construction, and potentially creating Tax Increment Districts. Expanding the land available for commercial and industrial development is an invitation for investment which facilitates wage and income growth, growth in the tax base, and quality of life for residents. Expanding the land base allows for existing businesses to grow locally - retaining the relationships between themselves and their labor force as well as the communities that have nurtured them. Additionally, land availability can be a competitive advantage to attract outside investment into the community.

*Strategy #6: Attract New Commercial/Retail/Service Businesses. Retail and commercial businesses will be best located in existing commercial corridors, downtown, and newly planned mixed-use buildings within the East Side neighborhood. The redevelopment of the existing lumberyard is specifically mentioned on page 30: *The lumberyard and several of the older residential lots present opportunities for redevelopment to higher density residential, mixed-use, and commercial development* and on page 44: *"The current site of Chase Lumber near downtown is a prime redevelopment site. Village staff should engage in conversation with**



company representatives to initiate or continue the discussion."

2017 Comprehensive Plan

The [Future Land Use Map](#) identifies the existing lumberyard property for future Downtown uses. Figure 4.1 further defines this as *"land uses and activities here are designed to create vibrant places and community gathering spots. Desirable land uses include commercial services, retail, restaurants, lodging, office, multiple family residential (mainly in upper stories), and institutional, including on sites and/or buildings that mix uses."* Redevelopment of the Downtown lumberyard is also supported by the following:

- *Land Use Initiative #4: Implement and Update Plans for Downtown Revitalization.*
- *Land Use Policy #5: Actively promote infill development and redevelopment where opportunities present themselves, particularly for underutilized properties along Terminal and Triangle Drive, Highway 51, Farwell Street, and the downtown area.*

In 2023, the Comprehensive Plan was amended to include the 2023 East Side Plan. The Future Land Use Map identifies the Elvehjem Acres property for future Mixed-Use/Flex Commercial with additional details regarding preferred land uses and policies as provided within the 2023 East Side Plan.

2010 Downtown Strategic Market Analysis

Page 19: *Chase Lumber - As an operating business that generates activity, the lumber yard brings benefits to the downtown. Pursuing a relocation strategy for the business should not be a near-term priority. Particularly given that the current economic situation will limit near-term private development. However, in the longer term, utilizing the lumber yard site for development that is more appropriate for its central and highly-visible downtown location may become a priority.*

2008 Tax Increment District #4

The existing lumber yard is located within TID #4. Map 4 of the Project Plan identifies the existing lumberyard as a future redevelopment site.

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

This agenda item is presented for discussion only.

ATTACHMENTS:

1. Bliffert Lumber SP1.40 SITE PLAN OPTION v4.0_07.24.26
2. Elvehjem & CTH AB TID Concept Map_02.05.26
3. 2026-3-6 - Bliffert Lumber Estimate Drawings
4. McFarland TID 7 Project Plan Draft 7.1.26



SITE PLAN OPTION V4.0

BLIFFERT - MCFARLAND

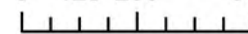
the Consortium ae LLC

Elvehjem Road & CTH AB
Proposed TID

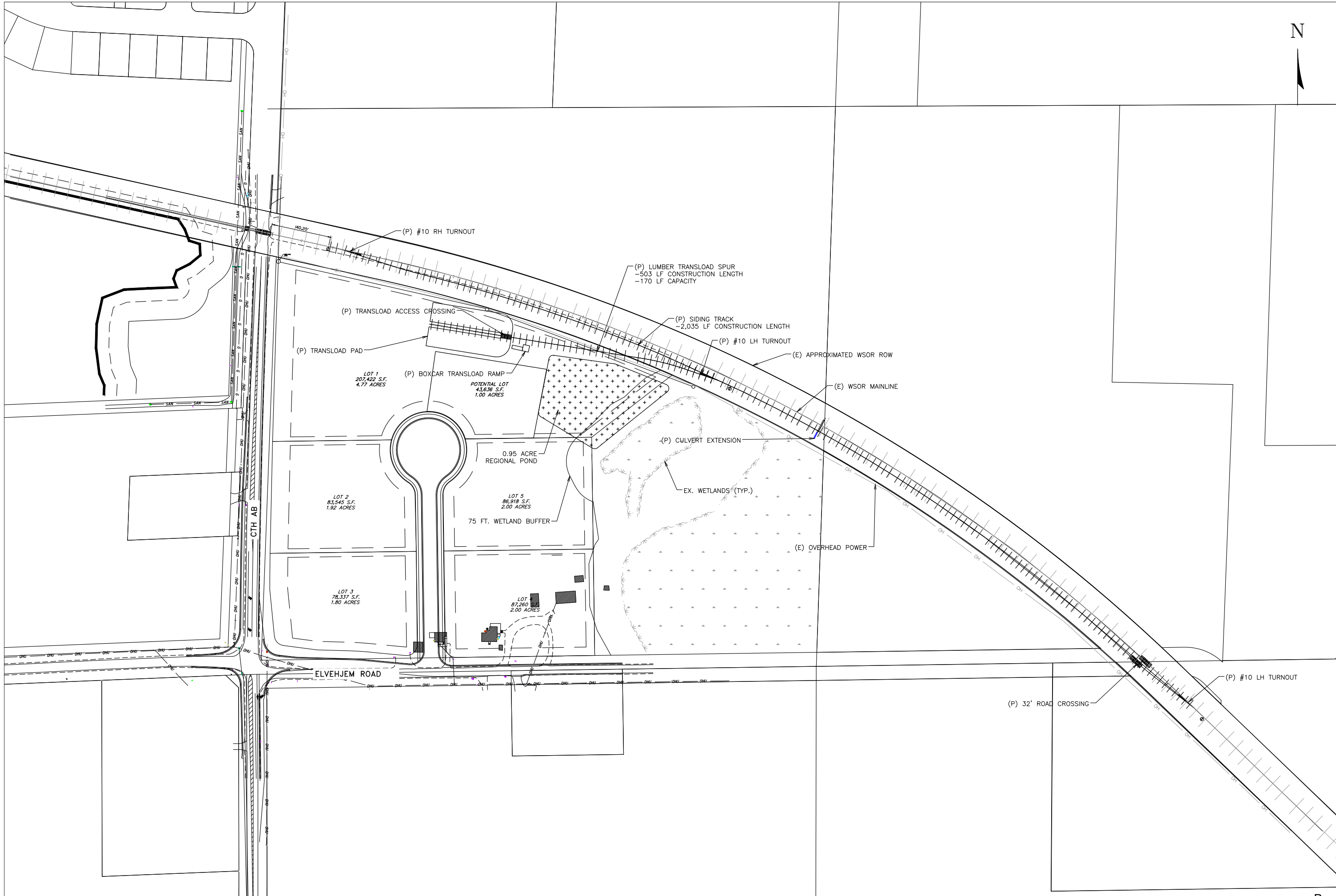
 Potential TID Parcels
  Municipal Boundary

 Parcels
 Railroad

0 125 250 500 Feet



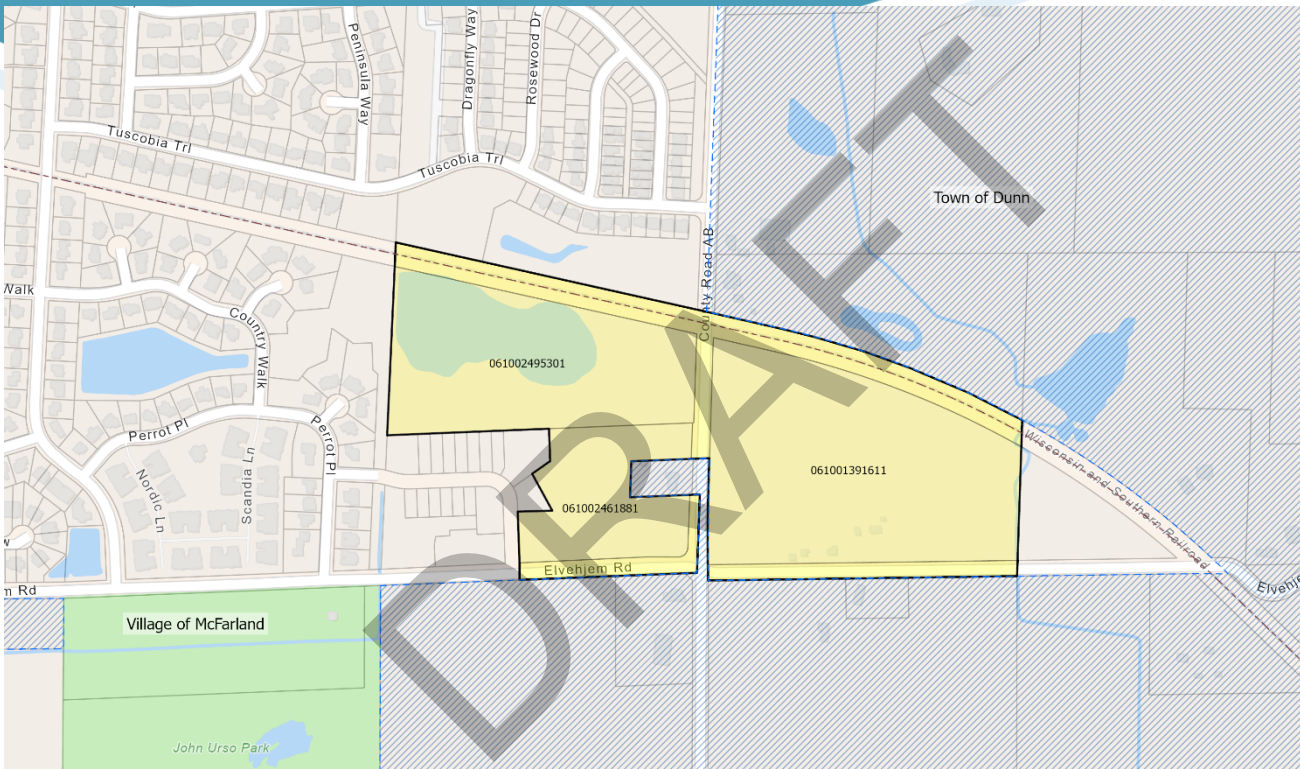




PROJECT NO.:	
DRAWING FILE:	ELVEHJEM ACRES - NEW.DWG
DRAWN BY:	
CHECKED BY:	
DATE:	8-1-25
REVISIONS:	
SCALE:	
SHEET:	3.1



VILLAGE OF MCFARLAND, DANE COUNTY TAX INCREMENT DISTRICT #7 PROJECT PLAN



07/01/26

TID #7 CREATION PROJECT PLAN DRAFT

Tax Increment District #7 is created as a Mixed-Use District to provide financial support for industrial and residential development in the southeastern area of the Village. The TID will also fund improvements within ½ mile of the boundary.

ACKNOWLEDGEMENTS

Village of McFarland Community Development Authority	Village of McFarland Plan Commission	McFarland Village Board	Village of McFarland Staff
Kathy Annen (Chair)	Stephanie Brassington (Chair)	Stephanie Brassington, Village President	Matt Schuenke, Village Administrator
Luke Fessler	Luke Fessler	Kathy Annen, Trustee	Andrew Bremer, Community & Economic Development Director
Elizabeth Yszenga	Karen Pominville	Ken Boyd, Trustee	Cassandra Suettinger, Deputy Administrator/Clerk
Josh Ostermann	Benjamin Tanko	Luke Fessler, Trustee	
Kurt Zimmerman	Eric Johnson	Alisa Leamy, Trustee	
Anthony Hennes	Kyle Shelton	Mark Neidinger, Trustee	
Zachary Dixon	Christopher Reynolds	Lowell Prill, Trustee	

TIF Consultant

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MIXED-USE TAX INCREMENT DISTRICT PROJECT PLAN

INTRODUCTION

The Village of McFarland is a community of approximately 8,991 residents located in southeastern Dane County, Wisconsin along U.S. Highway 51 and the eastern shore of Lake Waubesa. The Village lies approximately 7 miles southeast of downtown Madison and is immediately adjacent to the City's south and southeast sides. McFarland is bordered by the City of Madison to the north, the Towns of Cottage Grove and Pleasant Springs to the east, the town of Dunn to the south, and Lake Waubesa to the west.

McFarland has a history of responsibly using tax increment financing as a tool to catalyze development, address infrastructure constraints, and reinvest in areas presenting opportunities for growth or redevelopment. This proposed district would be the seventh TID established by the Village.

TID #7 is being proposed to support a new business park and medium-density neighborhood development at the intersection of County Highway AB and Elvehjem Road in the southeast area of the Village. A central objective of the District is to facilitate the relocation and expansion of Bliffert Lumber from its existing downtown location to a new, modernized facility in the business park with access to the Wisconsin and Southern Railroad. This relocation would retain an existing business in McFarland, add jobs, and free the current downtown lumber site for future redevelopment consistent with the goals of the Village.

Significant public improvements are needed to support the creation of the business park and the adjacent housing development(s), including the construction of a rail spur, new roads, improvements to existing roads (CTH AB and Elvehjem), and utility extensions.

The proposed district is approximately 55.8 acres in size and meets the following goals of the Village as identified in the 2023 East Side Plan/Comprehensive Plan:

- Identify developable land of 40-100+ acres in size that is suitable for a business park
- Facilitate the development of infrastructure to serve industrial development/business park sites
- Retain existing businesses and grow employment opportunities
- Promote healthy neighborhoods with varied housing types, sizes, and price points
- Locate employment options next to/connected to residential areas

TID CREATION PROCESS AND SCHEDULE

This Project Plan was prepared pursuant to Section 66.1105 of Wisconsin Statutes which details the process and requirements for creating Tax Incremental Financing Districts. Table 1 shows the schedule and approval process for the creation of TID No. 7 in the Village of McFarland:

TABLE 1: TID #7 CREATION SCHEDULE

Date	Action
February 11, 2026	Community Development Authority meeting to initiate the TID creation process.
April 23, 2026	Community Development Authority meeting to review proposed TID boundary.
May 13, 2026	Community Development Authority meeting to review first draft of TID project plan and recommend edits.
May 26, 2026	Village Board meeting to review draft of TID project plan.
June 10, 2026	Community Development Authority meeting to review second draft of TID project plan and recommend edits.
June 16, 2026	Plan Commission meeting to review draft of TID project plan recommended by CDA and schedule Public Information Meeting and Public Hearing.
June 24, 2026	Public Information Meeting and Public Hearing notice sent to all Village residents and Public Hearing Notice sent to overlying taxing jurisdictions.
June 28-July 10, 2026	Notice of JRB meeting (Class 1) is published in the local newspaper.
July 2, 2026	First notice of Public Hearing (Class 2) is published in the local newspaper.
July 8, 2026	Community Development Authority meeting to review third draft of TID project plan.
July 9, 2026	Joint Review Board meeting (1 of 2) to review the proposed TID.
July 9, 2026	Second notice of Public Hearing (Class 2) is published in the local newspaper.
July 9, 2026	Public Information Meeting (for Q&A not allowed during the Public Hearing)
July 21, 2026	Plan Commission meeting to hold Public Hearing on the proposed TID.
August 12, 2025	Community Development Authority meeting to review fourth draft of TID project plan and recommend to Plan Commission.
August 18, 2026	Plan Commission meeting to act on resolution recommending consideration and approval of the proposed TID by the Village Board.
August 25, 2026	Village Board meeting to act on resolution approving the creation of the TID.
September 3, 2026	JRB meeting #2 notice (Class 1) is published in the local newspaper.
September 8 - 30, 2026	Joint Review Board meeting (2 of 2) to approve the TID creation and notify the Village Board of their decision.
Within 60 days of JRB action	Department of Revenue is notified of the TID creation.
October 31, 2026	Deadline to submit the TID creation base packet materials and project plan to the DOR.

Documentation of all resolutions, notices, and minutes can be found in the appendix of this project plan. As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of this project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District #7 in the Village of McFarland.

This is to be used as the official plan that guides development activities within TID #7. Implementation of the plan and completion of the proposed activities will require a case-by-case authorization by the Plan Commission and Village Board. Public expenditures for projects listed in the plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The Village Board or Plan Commission is not mandated to make expenditures described in this plan but is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the plan involving public review, Community Development Authority, Plan Commission, Village Board, and Joint Review Board approval.

TYPE OF DISTRICT, SIZE, AND LOCATION

TID #7 is being created as a 20-year mixed-use TID of approximately 55.8 acres in size (including road and rail right of way) generally located in the southeastern part of the village at the intersection of County Highway AB and Elvehjem Road, bounded by the Town of Dunn boundary to the north and south and bisected by CTH AB, located within the Village limits. A boundary map is provided in Appendix A.

DISTRICT BOUNDARIES

The boundary for TID No. 7 was established using the following criteria, consistent with Wisconsin TIF law:

- The equalized value of taxable property of the district plus the aggregate value increment of all existing tax increment districts in the Village does not exceed 12 percent of the total equalized value of taxable property within the Village.
- The District boundary is contiguous and contains only whole parcels.
- Not less than 50%, by area, of the real property within the district is suitable for mixed-use development as described in ss.66.1105(2)(cm): "Mixed-use development" means development that contains a combination of industrial, commercial, or residential uses, except that lands proposed for newly-platted residential use, as shown in the project plan, may not exceed 35 percent, by area, of the real property within the district."
- Less than 35% of the district area is land proposed for newly-platted residential development and density is at least three units per acre.

A boundary map of the TID is provided in Appendix A and a legal description of the TID boundary is provided in Appendix B.

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PARCEL LIST AND LAND USES

The following tax parcels are included in TID No. 7:

TABLE 2: PARCELS INCLUDED IN TID #7

Parcel Number	Owner	Site Address	Acres	Current Land Use	Future Land Use	2026 Land Value	2026 Improvement Value	2026 Assessed Value
61001391611	Elvehjem Acres LLC	3408 & 3418 Elvehjem Rd.	22.3	Residential; Agriculture; Undeveloped	Business Park; Open Land	\$256,800	\$199,100	\$455,900
61002495301	HWY AB LLC	No address	15.70	Agriculture	Neighborhood	\$7,500	\$0	\$7,500
61002461881	LAKESTONE PROPERTIES & MANAGEMENT LLC	6350, 6400, 6450 Devils Lake Way	7.35	Residential development in progress	Neighborhood	\$6,600	\$0	\$6,600
			45.35			\$270,900	\$199,100	\$470,000

TABLE 3: NEWLY-PLATTED RESIDENTIAL CALCULATION

	Acres	% of TID Area
Total TID Area	55.8	100%
Newly-Platted Residential	15.7	28.1%

Of the total area of TID No. 7, 15.7 acres (parcel no. 61002495301) are designated for future newly-platted residential, consisting of 28.1% of the total TID area. This is within the 35% limit per Wisconsin TIF law.

There is currently a residential development being constructed on parcel no. 61002461881. The plat for this parcel and the residential development were approved by the Village in 2025, and the plat was officially recorded in January 2026. Discussion about planning for the creation of TID No. 7 began at the CDA meeting on February 11, 2026. As such, this parcel shall be considered existing residential platting and not newly-platted residential.

EXISTING CONDITIONS: SUMMARY OF FINDINGS

As required by Wis. Stat. 66.1105 and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made:

- That “but for” the creation of this District, the development projected to occur as detailed in this Project Plan: a) would not occur, or b) would not occur in the manner, at the values, or within the timeframe desired by the Village. In making this determination, the Village has considered the following information:
 - o The Village desires to create a new business park in an appropriate location, consistent with the 2023 East Side Plan and 2017 Comprehensive Plan.
 - o Bliffert Lumber, an existing McFarland business, would like to expand and relocate from their current downtown facility (freeing that land up for redevelopment), but must have access to rail for their operations.
 - o There is land at the intersection of County Highway AB, Elvehjem Road, and the Wisconsin and Southern Railroad that is well-suited for a new business park with rail access, and the current landowner is willing to sell this land to the Village. There is also land adjacent to this parcel, across CTH AB, that is owned by the same landowner. Consistent with the comprehensive plan, the Village would like to encourage medium-density residential development on this parcel, complementing a residential development in progress directly south.
 - o In order to prepare these sites for their desired uses, a number of public infrastructure investments must be made, including the construction of a rail spur, roads, utilities, and improvements to existing roads.
 - o But for TIF, and the ability to finance the public and private infrastructure, the development would not happen in this area or in the timeframe or manner desired by the Village.
- To achieve its objectives, the Village has determined that it must take an active role in encouraging development by making appropriate public expenditures in the area. Without the availability of tax increment financing, these expenditures are unlikely to be made. Enhancement of this area will complement existing establishments in the Village and benefit not only the Village but all overlapping taxing jurisdictions. Accordingly, the costs to implement the needed projects and programs are appropriately funded through tax increment financing.

- 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 the improvements. In making this determination, the Village has considered the following information:
 - o As demonstrated in the Economic Feasibility Section of this Project Plan, the tax increments projected to be collected will be sufficient to pay for the proposed project costs and their financing.
 - o Over time, the district is expected to add new tax base with a mix of residential and commercial uses. As such, property values are expected to be significantly higher by the time the TID closes.
- The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
- For valuation purposes, the District will become effective as of January 1, 2026. The property values as of this date will be the base value for the purposes of the TID, and the property taxes collected on this base value will continue to be distributed amongst the various taxing entities as they are now. Taxes levied on any additional value established within the District due to new construction, renovation or appreciation of property values occurring after January 1, 2026 will be collected by the TID and used to repay the costs of the TIF-eligible projects identified in this Plan.
- Since the development expected to occur is unlikely to take place without the use of Tax Incremental Financing and since the TID will generate economic benefits that are sufficient to compensate for the cost of the improvements, the Village reasonably concludes that the overall benefits of the TID outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.
- The improvements to be made within the TID are likely to enhance the value of substantially all other real property in the Village surrounding the TID.
- The equalized value of taxable property of the TID does not exceed 12% of the total equalized value of taxable property within the Village (see details on Page 24).
- The Project Plan for the TID is feasible, is in conformity with the master plan of the Village and promotes the orderly development of the Village.
- The Village estimates that less than 35% of the territory within the district will be devoted to retail business at the end of the district's maximum expenditure period, pursuant to Wisconsin Statutes Sections 66.1105(5)(b).

- 28.1% of the total TID area is planned for newly-platted residential.
- TID #7 is being created as a Mixed-Use District. This project plan has met the definition and requirements for a Mixed-Use District. Not less than 50% of the proposed district's land by area is suitable for a mix of commercial, industrial, and residential uses. The future land use map designates the area to include a mix of residential, industrial, and commercial uses.
- The project costs relate directly to promoting industrial/commercial and residential development in the Village. This mix of uses is consistent with the requirements of a mixed-use TID and the purpose for which the District is created.

PROPOSED PUBLIC WORKS

TID #7 is being created as a mixed-use district to promote the development of land into a well-balanced mix of industrial/commercial and residential uses, enhance the value of property, and broaden the tax base. The Village and Plan Commission may spend funds on planning, public improvements, parcel assembly, demolition of existing structures, financial incentives, and site improvements to promote mixed-use activities.

Costs directly or indirectly related to achieving the objectives of promoting mixed-use development are considered "project costs" and eligible to be paid from tax increments of this tax increment district, including but not limited to the list below. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for public work, easements, judgments or claims for damages, and other expenses for all projects are included as project costs. Funds may be expended up to a half mile outside the TID boundary.

Listed below are major public improvement categories, which are necessary and standard improvements for promoting mixed-use development. Table 4 on Page 16 summarizes total costs by category. Actual costs incurred may vary significantly by category, and the total budget may change depending upon the character and values of any project approved for this TID.

A. INFRASTRUCTURE FOR DEVELOPMENT OF THE DISTRICT

Proposed infrastructure improvements to public or private property may include:

- Street construction or reconstruction, relocation, removal, upgrading, or maintenance to facilitate development within TID 7. Street infrastructure includes bridges, sidewalks, curb and gutter, bike lanes, parking lanes, street lights, traffic signals, signage, markings, and other amenities for the safety and comfort of motor vehicles, bicycle, and pedestrian traffic.

- Pedestrian and bicycle path construction, including trail lighting, signage, and supporting amenities such as bicycle racks or repair stations.
- The construction, installation, or alteration of sanitary or storm sewer, water system improvements, gas or electric infrastructure, or public safety infrastructure that serves the district. This includes but is not limited to sewerage treatment plants, test wells, water production wells, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, stormwater management facilities, water lines, natural gas, electric, telecommunications and other utility connections.

A total of \$4,564,046 is budgeted for infrastructure improvements in the district.

B. STREETSCAPING IMPROVEMENTS

Streetscaping improvements include the installation of gateway, wayfinding, and street signage, public art installations, landscaping, lighting, information kiosks, and other streetscaping furnishings such as benches, trash receptacles, banners, flower pots, etc.

\$25,000 is budgeted for streetscaping improvements.

C. SITE IMPROVEMENTS

Site improvement activities required to make sites suitable for development including, but not limited to, the construction of public works or improvements, new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and fixtures other than the demolition of listed historic properties and the acquisition of equipment to service the district; environmental studies and remediation, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, signs, fencing, and related activities.

\$75,000 is budgeted for site improvement costs within the district.

D. LAND ACQUISITION AND ASSEMBLY COSTS

This may include but is not limited to fee title, easements, appraisals, environmental evaluations, consultant and broker fees, closing costs, surveying and mapping, lease and/or the sale of property at below market price to encourage or make feasible an economic development project. This could also include the cost of relocating existing businesses or residents to allow redevelopment.

\$2,050,000 is budgeted for land acquisition and assembly.

E. DEVELOPMENT INCENTIVES

The Village may use TID #7 funds to provide incentives to developers and businesses to promote and stimulate new development.

The Village may enter into agreements with property owners, businesses, developers, or nonprofit organizations for the purpose of sharing costs to encourage the desired kinds of improvements. In such cases, the Village will execute development agreements with the developers and/or businesses, which will identify the need, type and amount of assistance to be provided, the benefits to the District and the Village, and the terms by which any TIF benefits may be provided.

The Village may provide funds either directly or through an organization authorized by Wisconsin Statutes for the purpose of making capital available to developers to stimulate or enable economic and housing development projects within TID #7. Funds may be provided in the form of a cash grant, forgivable loan, direct loan, land write down or loan guarantee. Such funds may be provided at terms appropriate to, and as demonstrated to be required by the proposed economic development and/or housing project and shall be set forth in a development agreement. No cash grants or loans will be provided until a development agreement has been signed between the developer and the Village.

\$750,000 is budgeted for Development Incentives throughout the District.

F. PROFESSIONAL SERVICES

Including, but not limited to, those costs incurred for architectural, planning, engineering, accounting, and legal advice related to implementing the project plan, negotiating with property owners and developers, and planning for the redevelopment of the area.

\$150,000 is budgeted for professional services.

G. DISCRETIONARY PAYMENTS

Payments made, at the discretion of the local legislative body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans. This could include expenditures to the Community Development Authority to undertake community development projects, business park promotional and marketing projects, parks and recreation improvements, the improvement of other public amenities serving residents in the District, neighborhood improvements to improve the quality of life or safety of the residents,

workers, or visitors in the District, and other payments which are necessary or convenient to the implementation of this project plan.

\$25,000 is budgeted for discretionary payments over the life of the TID.

H. ADMINISTRATIVE AND ORGANIZATIONAL COSTS

Administrative costs including, but not limited to, a reasonable portion of the salaries, benefits, and training expenses of Village employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with the creation, amendment, and general administration of TID 7, and others directly involved with the projects over the life of the District. Also included as an eligible administrative cost is the \$1,000 Certification Fee charged by the Wisconsin Department of Revenue.

\$150,000 is budgeted for administration costs.

I. INFLATION AND FINANCING COSTS

Inflation costs include anticipated inflation between the time of creation of the TID and the planned time of expenditures. The actual amount will vary depending upon the timing of expenditure and the inflation rate. Financing costs include, but are not limited to, interest, professional and finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance, and other expenses related to financing TID 7 projects. Also includes interest on advances to the TID from the Village's General, Utility, or Stormwater Funds to cover any annual cash flow deficits.

\$1,615,226 is budgeted for financing costs in TID 7.

A map identifying proposed project locations is provided in Appendix A.

The projects listed above will provide necessary support to enable and encourage the development of TID #7 and help promote a mix of uses in and around TID #7. These projects may be implemented to varying degrees in response to development needs. Most of the planned improvements will be located within TID #7, but the Village reserves the right to locate improvements outside of TID #7 as provided by law and described elsewhere in this document.

DETAILED PROJECT COSTS

Table 4 describes the detailed project costs for project categories anticipated to be implemented during the expenditure period of TID #7. This format follows Department of Revenue guidance on detailed project costs, which states that the list should show estimated expenditures expected for each major category of public improvements. In addition to the above projects, the Village of

McFarland may request multiple base value redeterminations during the life of the TID, if necessary and allowed by the Wisconsin State Statutes. The Village may also request an affordable housing extension as allowed by Wisconsin State Statutes.

All costs listed are based on 2026 prices and are preliminary estimates. The Village reserves the right to revise these cost estimates to reflect change in project scope, inflation, and other unforeseen circumstances between 2026 and the time of construction or implementation. The Village should pursue grant or tax credit programs to help share project costs included in this project plan, as appropriate. Planned project costs are listed in the table on the following page.

The Village may fund specific project cost items shown below in significantly greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes of TID #7. This may include shifting public infrastructure expenses to private developers with corresponding increases in development incentive expenses, as provided in an approved development agreement. The Village will generally use overall benefit to the Village and economic feasibility (i.e. the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID's expenditure period.

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TABLE 4: TID #7 PLANNED PROJECT COSTS

Type of Expenditure	Amount	Paid By		% Paid by
		TID	Other	TID
A. Infrastructure				
Rail Spur	\$1,996,515	\$1,928,633	\$67,882	97%
Road Construction	\$1,171,570	\$1,135,344	\$67,882	97%
Utilities (Water & Sewer)	\$2,085,442	\$1,500,069	\$585,373	72%
Total Infrastructure	\$5,253,527	\$4,564,046	\$721,136	87%
B. Streetscaping Improvements				
Misc. Streetscaping Improvements	\$25,000	\$25,000	\$0	100%
Total Streetscaping Improvements	\$25,000	\$25,000	\$0	100%
C. Site Improvements				
Environmental Review & Remediation	\$25,000	\$25,000	\$0	100%
Misc. Site Improvements	\$50,000	\$50,000	\$0	100%
Total Site Improvements	\$75,000	\$75,000	\$0	100%
D. Land Acquisition and Assembly				
Land Acquisition and Assembly	\$2,050,000	\$2,050,000	\$0	100%
Total Land Acquisition and Assembly	\$2,050,000	\$2,050,000	\$0	100%
E. Development Incentives				
Development Funds/Incentives	\$750,000	\$750,000	\$0	100%
Total Development Incentives	\$750,000	\$750,000	\$0	100%
F. Professional Services				
Legal & Accounting	\$75,000	\$75,000	\$0	100%
Planning & Engineering (Misc.)	\$75,000	\$75,000	\$0	100%
Total Professional Services	\$150,000	\$150,000	\$0	100%
G. Discretionary Payments				
Promotion & Development	\$25,000	\$25,000	\$0	100%
Contributions to CDA	\$0	\$0	\$0	
Total Discretionary Payments	\$25,000	\$25,000	\$0	100%
H. Administrative/Organizational Costs				
Village TID Administration	\$125,000	\$125,000	\$0	100%
Department of Revenue Submittal Fee	\$1,000	\$1,000	\$0	100%
TID Creation	\$24,000	\$24,000	\$0	100%
Total Administrative/Organizational Costs	\$150,000	\$150,000	\$0	100%
I. Inflation & Financing Costs				
Financing Costs	\$1,615,226	\$1,615,226	\$0	100%
Total Inflation & Financing Costs	\$1,615,226	\$1,615,226	\$0	100%
Total Project Costs	\$10,093,753	\$9,404,273	\$721,136	
Total TID Budget	\$9,404,273			93%

INELIGIBLE/ESTIMATED NON-PROJECT COSTS

The following are public improvements that are not eligible to be paid with tax increment revenue under Wis. Stat. 66.1105(2)(f).2:

- The cost of constructing or expanding administrative buildings, police and fire buildings, libraries, community and recreational buildings and school buildings, unless said buildings were damaged or destroyed before January 1, 1997, by a natural disaster.
- The cost of constructing or expanding any facility, except a parking structure, if the Village generally finances similar facilities only with utility user fees.
- General government operating expenses, unrelated to the planning or development of a TID.
- Cash grants made by the Village to owners, lessees, or developers of land that is located within the TID unless the grant recipient has signed a development agreement with the Village, a copy of which shall be retained by the Village in the official records for that TID.

Non-project costs are public improvements that only partly benefit the TID or are not eligible to be paid with tax increment revenue. For example, projects undertaken within the TID as part of the implementation of this Project Plan that are fully or partially paid by impact fees, grants, or special assessments, or public works projects that only partly benefit the TID, such as a new water tower that serves properties both inside and outside of the TID and its half-mile boundary. That portion of the total project costs allocable to properties outside of the TID and its half-mile boundary would be a non-project cost.

Any infrastructure improvement projects funded with tax incremental financing will have an allocation made of benefit to property. It is presumed that infrastructure improvements within the TID benefit property within the TID. For infrastructure projects within a half-mile of the TID, an allocation of costs will be made on the basis of benefit to property within the TID and the half-mile area. For these expenditures, only costs allocated to property within a half-mile of TID #7 are considered eligible project costs. The remaining costs will be non-project costs. The TID #7 budget shows the maximum TIF funding as well as an estimated share of TIF to non-TIF funding that is subject to change as the exact allocations are not known at this time.

ECONOMIC FEASIBILITY

To evaluate the economic feasibility of the TID, it is necessary to project the amount of tax incremental revenue that can reasonably be generated from the district. The ability of the municipality to finance proposed projects must also be determined. TID #7 is economically feasible if the tax incremental revenue projected to be generated over the life of the TID is sufficient

to pay all project and financing costs incurred during the TID's expenditure period. The components of such an analysis include:

- The expected increase in property valuation due to inflation and the impact of general economic conditions on the TID.
- The expected increase in property valuation due to new development encouraged by the TID.
- Any change that may take place in the full value tax rate.
- The expected TID revenues.
- The expected TID cash flow (the timing of the revenue).

Following is a discussion of these components.

A. INFLATION

Over the past 10 years, the annual rate of inflation for commodities has averaged approximately 3% (source: Federal Reserve Bank Economic Data, Producer Price Index by Commodity). As such, inflation for the purpose of projecting future project costs is assumed to be 3.0%. Over the same period, the average annual change in total equalized property value was 6.67% in the state of Wisconsin (source: Wisconsin Policy Forum). To be conservative, an annual inflation rate of 1.5% over the life of the TID will be used for the purpose of making projections of equalized value/property appreciation.

B. INCREASED PROPERTY VALUE

The proposed plan for TID 7 includes the development of parcels within the TID which will increase the value of property.

TID No. 7 is projected to increase the value of property within the district by approximately \$37,589,428.

The actual values may be higher or lower than this depending upon the timing, character and financing structure of the actual projects.

C. FULL VALUE TAX RATE

Table 5 summarizes the historic full value effective tax rate in the Village between 2018 and 2025. The full value rate increased from 2023 to 2024 and 2024 to 2025. In all other years it has decreased. For our purposes, the tax rate of \$16.24 per \$1,000 with a 0.25% annual decrease will be used in this project plan to project TID revenues. This mill rate considers property tax levies from the School District, City, County, Technical College, and State.

TABLE 5: FULL VALUE EFFECTIVE TAX RATE

Year	Mill Rate/ \$1,000	Percent Change
2018	0.02074	-0.24%
2019	0.01944	-6.27%
2020	0.01908	-1.85%
2021	0.01858	-2.62%
2022	0.01651	-11.14%
2023	0.01558	-5.63%
2024	0.01596	2.44%
2025	0.01624	1.75%

Source: Wisconsin Department of Revenue, Town, Village and City Taxes.

D. TID REVENUES

A projected construction increment of \$27,972,284 is expected over the life of the TID based on the anticipated development of the business park with four lots and four residential developments on adjacent parcels.

TABLE 6: PROJECTED DEVELOPMENT

Development Description	Estimated Construction Year	Estimated Area (Acres)	Estimated TIF Increment
Lakestone Western Apt.	2026	2.45	\$4,497,800
Lakestone Middle Apt.	2026	2.45	\$4,497,800
Bliffert Lumber	2027	6.93	\$3,751,816
Urso Townhouses	2027	3.71	\$2,442,500
Commercial Lot 2	2028	1.80	\$2,571,073
Lakestone Eastern Apt.	2028	2.45	\$4,497,800
Commercial Lot 3	2029	2.00	\$2,856,748
Commercial Lot 4	2030	2.00	\$2,856,748
		23.79	\$27,972,284

The projected TIF Revenue in TID #7 is shown in Table 7 on the following page. The tax increment will generate approximately \$9,374,713 in tax incremental revenue over the life of the district.

While the TIF revenue alone is not sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs table on page 16, additional revenues from the sale of four business park lots and capitalized interest from Village borrowing together with the TIF revenue is enough to pay all TID project costs.

TABLE 7: TID #7 REVENUE

Assumptions								
Base Value (assessed)	\$470,000	Village purchase all business park lots.						
Tax Rate (effective) 2025	0.01624	Lakestone develops 3 buildings.						
Property Appreciation Rate	1.50%	Bliffert assessed value of \$4 million.						
Annual Change in Tax Rate	-0.25%	Proposed Project(s) Final Value (assessed)						\$28,442,284
Year	Previous Valuation	Appreciation Increment	TIF Increment		Total Valuation	Cumulative Increment	TIF Tax Rate	TIF Revenue Collected
			Construction	Land				
2026	\$470,000	\$0	\$8,530,000	\$0	\$9,000,000	\$8,530,000	0.01624	\$0
2027	\$9,000,000	\$135,000	\$6,450,000	\$0	\$15,585,000	\$15,115,000	0.01620	\$0
2028	\$15,585,000	\$233,775	\$7,135,537	\$0	\$22,954,312	\$22,484,312	0.01616	\$138,181
2029	\$22,954,312	\$344,315	\$2,928,374	\$0	\$26,227,000	\$25,757,000	0.01612	\$244,242
2030	\$26,227,000	\$393,405	\$2,928,374	\$0	\$29,548,779	\$29,078,779	0.01608	\$362,413
2031	\$29,548,779	\$443,232	\$0	\$0	\$29,992,011	\$29,522,011	0.01604	\$414,126
2032	\$29,992,011	\$449,880	\$0	\$0	\$30,441,891	\$29,971,891	0.01600	\$466,366
2033	\$30,441,891	\$456,628	\$0	\$0	\$30,898,519	\$30,428,519	0.01596	\$472,291
2034	\$30,898,519	\$463,478	\$0	\$0	\$31,361,997	\$30,891,997	0.01592	\$478,289
2035	\$31,361,997	\$470,430	\$0	\$0	\$31,832,427	\$31,362,427	0.01588	\$484,362
2036	\$31,832,427	\$477,486	\$0	\$0	\$32,309,913	\$31,839,913	0.01584	\$490,510
2037	\$32,309,913	\$484,649	\$0	\$0	\$32,794,562	\$32,324,562	0.01580	\$496,735
2038	\$32,794,562	\$491,918	\$0	\$0	\$33,286,481	\$32,816,481	0.01576	\$503,037
2039	\$33,286,481	\$499,297	\$0	\$0	\$33,785,778	\$33,315,778	0.01572	\$509,417
2040	\$33,785,778	\$506,787	\$0	\$0	\$34,292,564	\$33,822,564	0.01568	\$515,877
2041	\$34,292,564	\$514,388	\$0	\$0	\$34,806,953	\$34,336,953	0.01564	\$522,416
2042	\$34,806,953	\$522,104	\$0	\$0	\$35,329,057	\$34,859,057	0.01560	\$529,037
2043	\$35,329,057	\$529,936	\$0	\$0	\$35,858,993	\$35,388,993	0.01556	\$535,740
2044	\$35,858,993	\$537,885	\$0	\$0	\$36,396,878	\$35,926,878	0.01552	\$542,527
2045	\$36,396,878	\$545,953	\$0	\$0	\$36,942,831	\$36,472,831	0.01549	\$549,397
2046	\$36,942,831	\$554,142	\$0	\$0	\$37,496,974	\$37,026,974	0.01545	\$556,353
2047	\$37,496,974	\$562,455	\$0	\$0	\$38,059,428	\$37,589,428	0.01541	\$563,396
Total	\$9,617,144	\$27,972,284	\$0	\$0				\$9,374,713

TID Dates

Creation Date: August 25, 2026

Expenditure Period Ends: August 25, 2041

Termination Resolution Date (termination year is 2047 b/c after April 15): August 25, 2046

Last Year Increment Received: 2047 (for 2046 taxes)

E. CASH FLOW

The timing of revenue and expenditures is another consideration when assessing the economic feasibility of TID #7. There are sufficient revenues over the life of the TID to pay all costs. Table 8 summarizes the expected cash flow of TID #7. The Village plans to borrow a total of approximately \$7.4 million to pay for the construction of roads, utilities infrastructure, other road improvement costs, and the construction of the rail spur. The Village may pursue available grants or tax credits to reduce project expenditures.

Financing fees are estimated to be \$147,281 (2% of principal) for a total estimated borrowing cost of \$7,585,503, including \$74,176 of capitalized interest. The total debt service over the life of the TID is estimated to be \$9,133,021, including \$1,615,226 in estimated interest expenses. For the purposes of this project plan, the interest rate on debt service is projected to be 4% with the exception of the debt service for the rail infrastructure which assumes a 2% interest rate. The project plan assumes the Village is able to obtain a Freight Rail Infrastructure Improvement Program loan from the WisDOT for the rail improvements. The Village reserves the right to increase the project plan expenses based on the actual terms of all debt service.

TABLE 8: TID #7 CASH FLOW

Year	Beginning Balance	Revenues				Expenses			Annual Surplus (Deficit)	Balance
		Land Sale, Capitalized Interest, Debt Reserve	TIF Revenues	Interest Income	Total Revenues	Debt Service	Other Expenses	TIF Pay-Go		
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$37,500	\$0	(\$37,500)	(\$37,500)
2027	(\$37,500)	\$100,000	\$0	\$0	\$100,000	\$801,726	\$20,395	\$0	(\$722,121)	(\$759,621)
2028	(\$759,621)	\$350,720	\$138,181	\$0	\$488,901	\$838,814	\$20,395	\$0	(\$370,308)	(\$1,129,929)
2029	(\$1,129,929)	\$385,568	\$244,242	\$0	\$629,810	\$838,814	\$20,395	\$0	(\$229,399)	(\$1,359,328)
2030	(\$1,359,328)	\$348,480	\$362,413	\$0	\$710,893	\$905,885	\$20,395	\$0	(\$215,386)	(\$1,574,714)
2031	(\$1,574,714)	\$0	\$414,126	\$0	\$414,126	\$905,885	\$20,395	\$0	(\$512,153)	(\$2,086,867)
2032	(\$2,086,867)	\$0	\$466,366	\$0	\$466,366	\$905,885	\$20,395	\$0	(\$459,913)	(\$2,546,780)
2033	(\$2,546,780)	\$0	\$472,291	\$0	\$472,291	\$905,885	\$20,395	\$0	(\$453,989)	(\$3,000,769)
2034	(\$3,000,769)	\$0	\$478,289	\$0	\$478,289	\$905,885	\$20,395	\$0	(\$447,990)	(\$3,448,759)
2035	(\$3,448,759)	\$0	\$484,362	\$0	\$484,362	\$905,885	\$20,395	\$0	(\$441,917)	(\$3,890,676)
2036	(\$3,890,676)	\$0	\$490,510	\$0	\$490,510	\$905,885	\$20,395	\$0	(\$435,769)	(\$4,326,445)
2037	(\$4,326,445)	\$0	\$496,735	\$0	\$496,735	\$104,158	\$20,395	\$0	\$372,182	(\$3,954,263)
2038	(\$3,954,263)	\$0	\$503,037	\$0	\$503,037	\$104,158	\$20,395	\$0	\$378,484	(\$3,575,779)
2039	(\$3,575,779)	\$0	\$509,417	\$0	\$509,417	\$104,158	\$20,395	\$0	\$384,864	(\$3,190,915)
2040	(\$3,190,915)	\$0	\$515,877	\$0	\$515,877	\$0	\$20,395	\$0	\$495,482	(\$2,695,433)
2041	(\$2,695,433)	\$0	\$522,416	\$0	\$522,416	\$0	\$20,395	\$0	\$502,021	(\$2,193,412)
2042	(\$2,193,412)	\$0	\$529,037	\$0	\$529,037	\$0	\$20,395	\$0	\$508,642	(\$1,684,770)
2043	(\$1,684,770)	\$0	\$535,740	\$0	\$535,740	\$0	\$20,395	\$0	\$515,345	(\$1,169,424)
2044	(\$1,169,424)	\$0	\$542,527	\$0	\$542,527	\$0	\$20,395	\$0	\$522,132	(\$647,292)
2045	(\$647,292)	\$0	\$549,397	\$0	\$549,397	\$0	\$20,395	\$0	\$529,003	(\$118,290)
2046	(\$118,290)	\$0	\$556,353	\$0	\$556,353	\$0	\$0	\$0	\$556,353	\$438,064
2047	\$438,064	\$0	\$563,396	\$2,190	\$565,586	\$0	\$0	\$0	\$565,586	\$1,003,650
Total		\$1,184,768	\$9,374,713	\$2,190	\$10,561,671	\$9,133,021	\$425,000	\$0		

Other Expenses include: Professional Services, Discretionary Spending, Admin/Org. Costs, and Streetscaping/Site Improvements.

Assumes Village purchases all business park lots; Elvehjem Rd. from Devil's Lake Way to CTH AB reconstruction costs included; 0.5% interest on investment income.

F. IMPACT TO OVERLYING TAXING JURISDICTIONS

TABLE 9: IMPACT TO OVERLYING TAXING JURISDICTIONS

Taxing Jurisdiction	% of Mill Rate by Jurisdiction	Annual Taxes Collected on Base Value Distributed to Taxing Jurisdictions	Total Taxes Captured by TID Not Distributed to Jurisdictions	Annual Taxes Collected After TID	Increase in Annual Tax Collections After TID
School District	47.6%	\$3,636	\$4,465,298	\$282,807	\$279,172
Tech. College	3.6%	\$275	\$338,304	\$21,426	\$21,151
County	14.8%	\$1,129	\$1,386,910	\$87,839	\$86,710
Village	34.0%	\$2,593	\$3,184,200	\$201,670	\$199,077
State	0.0%	\$0	\$0	\$0	\$0
Total	100.0%	\$7,633	\$9,374,713	\$593,743	\$586,110

Taxing Districts overlying TID #7 in the Village of McFarland include Dane County, the McFarland School District, and Madison College. Impact on the overlying taxing districts is based on the percentage of tax collections in 2025. Total TIF increment over the life of the district is taken by the proportionate share from each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included in the table above.

The projects planned for the TID would not occur but for the availability of tax incremental financing. TID #7 is a mechanism to make improvements in an area of McFarland with the potential for development to support growth in the Village's tax base. All taxing jurisdictions will benefit from increased property values, additional and improved infrastructure, and enhanced community vitality which will result from the projects planned in TID #7.

DESCRIPTION OF FINANCING METHODS AND TIMEFRAME

A. FINANCING METHODS

Another important aspect to consider in assessing the economic feasibility of TID #7 is the ability of the Village to finance desired projects to encourage development. Financial resources available to the Village include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs.

Under Wisconsin law, a municipality's debt limit is set at 5% of the municipality's total equalized property value. As of January 1, 2025, the Village's equalized property value was \$1,836,335,200. Five percent of this value yields \$91,816,760 of debt capacity. As of December 31, 2025, the Village of McFarland had an outstanding general obligation debt of \$46,845,000. The Village's remaining debt capacity is \$44,971,760. There are approximately \$9,404,273 in anticipated project costs within TID #7. Some project costs will be financed from the general fund and some

project costs will be financed from municipal borrowing. Additionally, TID administration costs can be paid out of Village operating funds and reimbursed by the TID when funds are available. Other expenses can be paid out of TID cash flow as projects are constructed, assessed, and begin paying property taxes. Alternatively, the Village may decide to issue debt to finance proposed TID costs, using the projected stream of TIF revenue not otherwise committed to service the debt.

The Village is planning to borrow the money to fund the \$4,564,046 in infrastructure costs, the \$2,050,000 in land acquisition and assembly costs, and the \$750,000 in development incentives (see Cash Flow section on page 22 for details).

B. TIMETABLE

The maximum life of the TID is twenty years and a three-year extension may be requested. The Village has a maximum of fifteen years, or until 2041, to incur TIF expenses for the projects outlined in this plan. Actual implementation of the projects may be accelerated or deferred depending on existing conditions at the time. The Village may also opt to take advantage of the current state statute that allows a municipality to collect revenue from a TID that is about to close for two additional years to benefit affordable housing in the municipality.

C. EQUALIZED VALUE (12%) TEST

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities cannot have more than 12% of their total equalized value in TIF districts. The percent of a municipality's equalized value in TIDs can be calculated by adding the equalized value of taxable property in the proposed TID to the value increment of all existing TIDs in the municipality, and dividing this number by the municipality's total equalized value.

McFarland's 2025 municipal equalized value was \$1,836,335,200. 12% of this would be \$220,360,224. McFarland currently has three active TIDs, with a total 2025 value increment of \$137,815,000. The estimated equalized base value of TID #7 is \$464,360 (calculated by taking the 2026 assessed base value of \$470,000 divided by an equalization ratio of 0.988), which means 7.5% of McFarland's equalized value would be in TIF districts once TID #7 is created. There is no concern about going over the 12% limit with the creation of TID #7 as proposed.

TABLE 10: VILLAGE OF MCFARLAND TID CAPACITY

2025 Equalized Value	Maximum TID Capacity
\$1,836,335,200	\$220,360,224

New TIDs cannot be created, or properties added to existing TIDs if this level is exceeded.

TABLE 11: PROPOSED TID 7 EQUALIZED VALUE

TID 7 Assessed Base Value	Assessor's Equalization Ratio	TID 7 Estimated Equalized Base Value	Percent of Municipal Equalized Value in TID 7
\$470,000	0.998	\$464,360	7.53%

The Village of McFarland has available capacity to establish TID #7 as proposed.

CHANGES TO MAPS, PLANS, ORDINANCES

Changes to the zoning ordinance will need to be made to reflect the transitioned status of the land uses as development occurs.

Parcel No. 61001391611 is planned for the new business park and will need to be re-zoned from its current zoning of A-1 Agricultural Transition to appropriate zoning districts once the business park lots are subdivided and development is planned for each lot. Potential categories include PUD or M-IC Manufactured-Intensive Commercial District for the Bliffert Lumber site (adding retail lumber yards as a permitted or conditional use prior to development occurring), and C-P Commercial Park, C-L Commercial Limited, C-G Commercial General, C-H Commercial Highway, M-IC, or PUD for the other lots.

Parcel No. 61001391611 will need to be re-zoned from A-1 Agricultural Transition to the appropriate residential zoning district (likely R-3 General Residence District) or PUD.

No other changes to the Village's maps, plans, or ordinances will need to be made.

RELOCATION

There are currently two single-family homes being leased on the property being proposed for the new business park. As a result of the proposed projects in TID No. 7, some residents will need to be relocated. The following is the method proposed by the Village for displacement or relocation:

Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (DOA). If any person is to be displaced as a result of the acquisition they will be given a pamphlet on "Relocation Benefits" as prepared by the DOA. The Village will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes section 32.27. The Village will provide each owner a full narrative appraisal, a map

showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as requested by law.

PROMOTING ORDERLY DEVELOPMENT

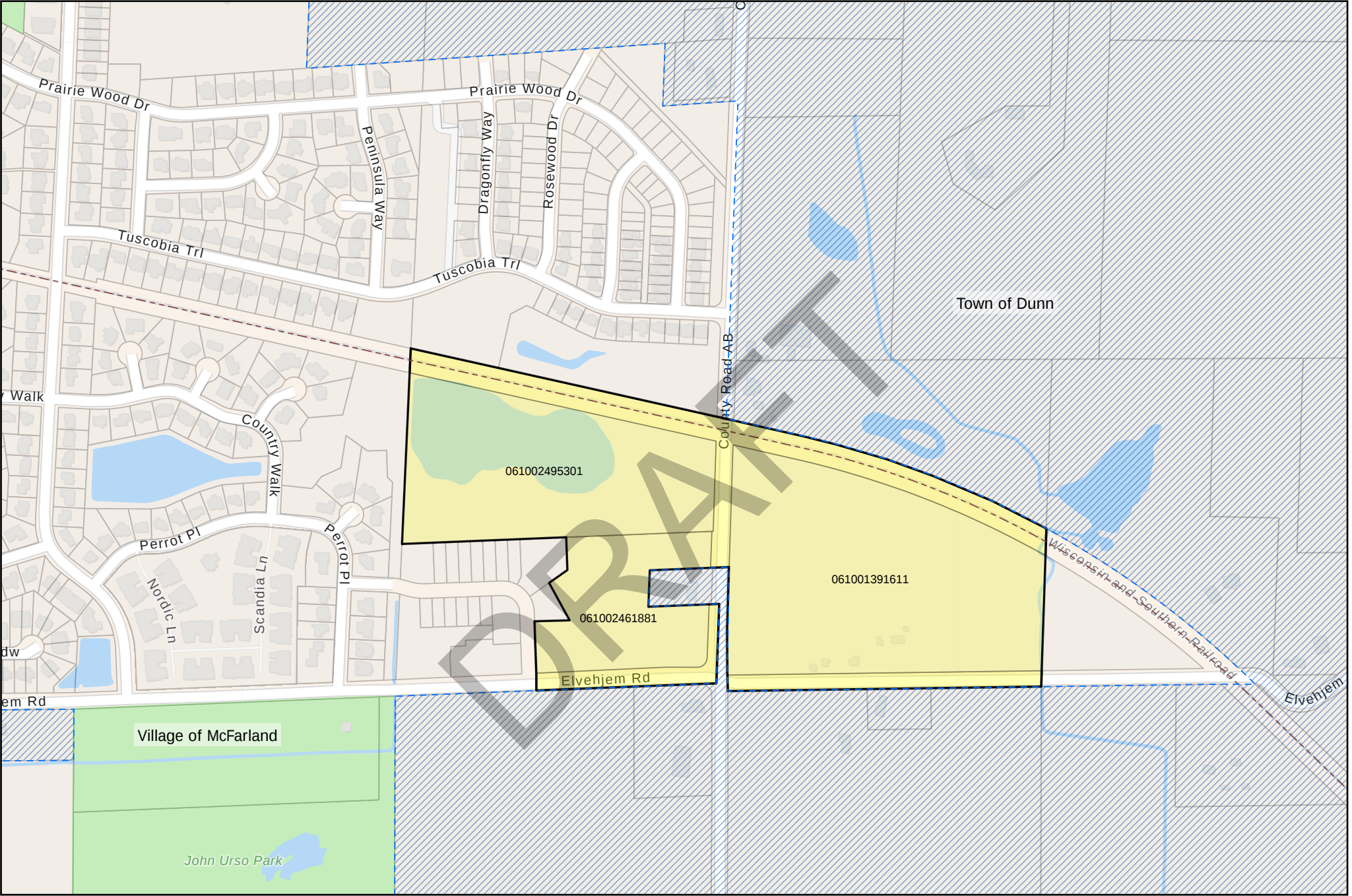
The creation of TID No. 7 will encourage mixed-use development in the southeastern area of the Village, consistent with the Village's East Side Plan and Comprehensive Plan. Creation of the TID will promote the development of the tax base of the Village and, in general, promote public health, safety, and general welfare. Successful implementation of the projects planned in TID No. 7 will build tax base for the Village and overlying taxing jurisdictions.

APPENDIX

- A. DISTRICT MAPS**
- B. BOUNDARY LEGAL DESCRIPTION**
- C. ATTORNEY'S OPINION LETTER**
- D. PUBLIC HEARING NOTICE**
- E. JOINT REVIEW BOARD MEETING NOTICES**
- F. PLAN COMMISSION RESOLUTION**
- G. VILLAGE BOARD RESOLUTION**
- H. JOINT REVIEW BOARD RESOLUTION**

APPENDIX A: DISTRICT MAPS

DRAFT



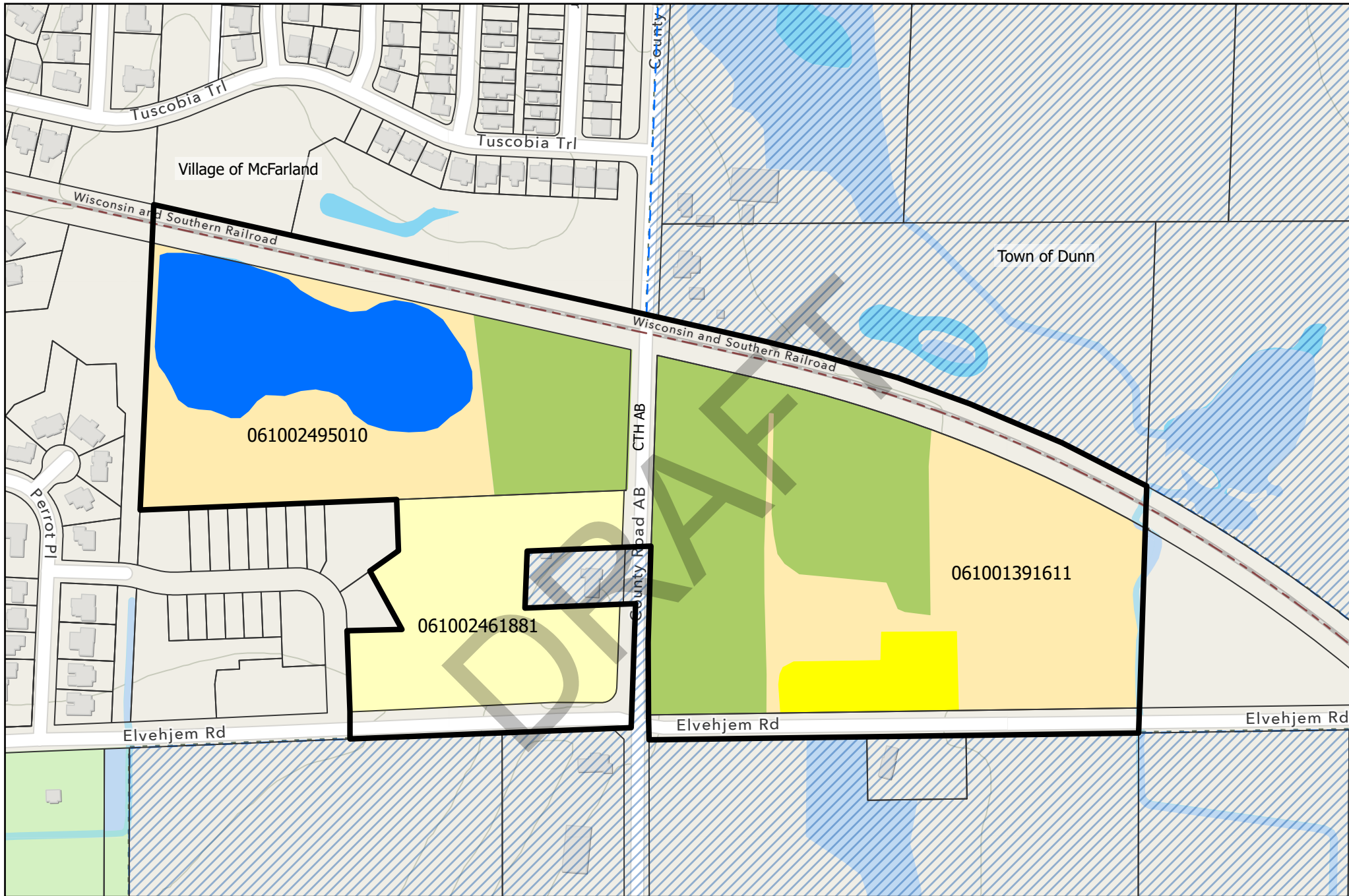
TID #7
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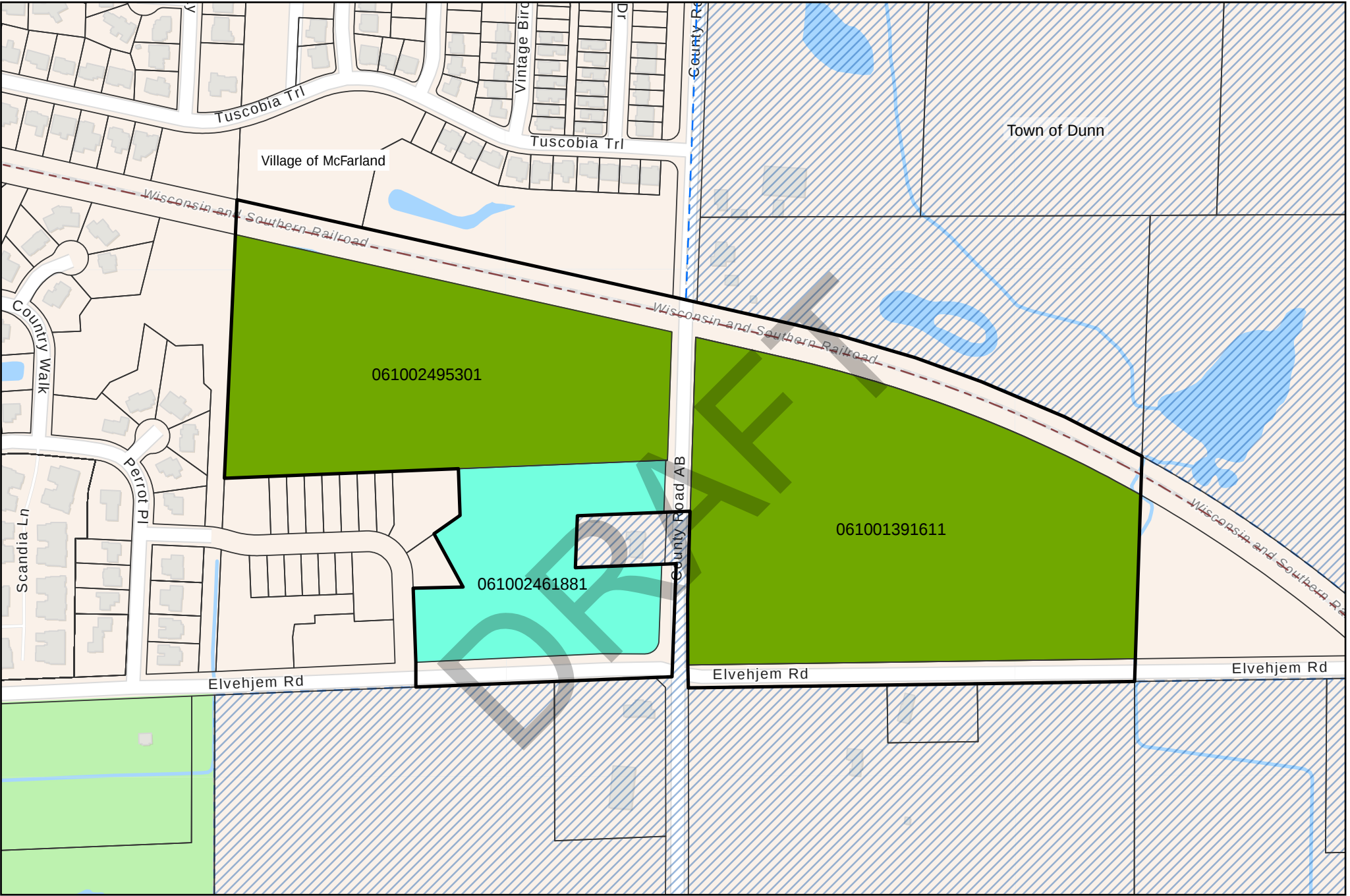


Railroads
Town of Dunn









Sources: Dane County, Village of McFarland, Becker Professional Services

Village of McFarland
TID #7 - Current Zoning Map

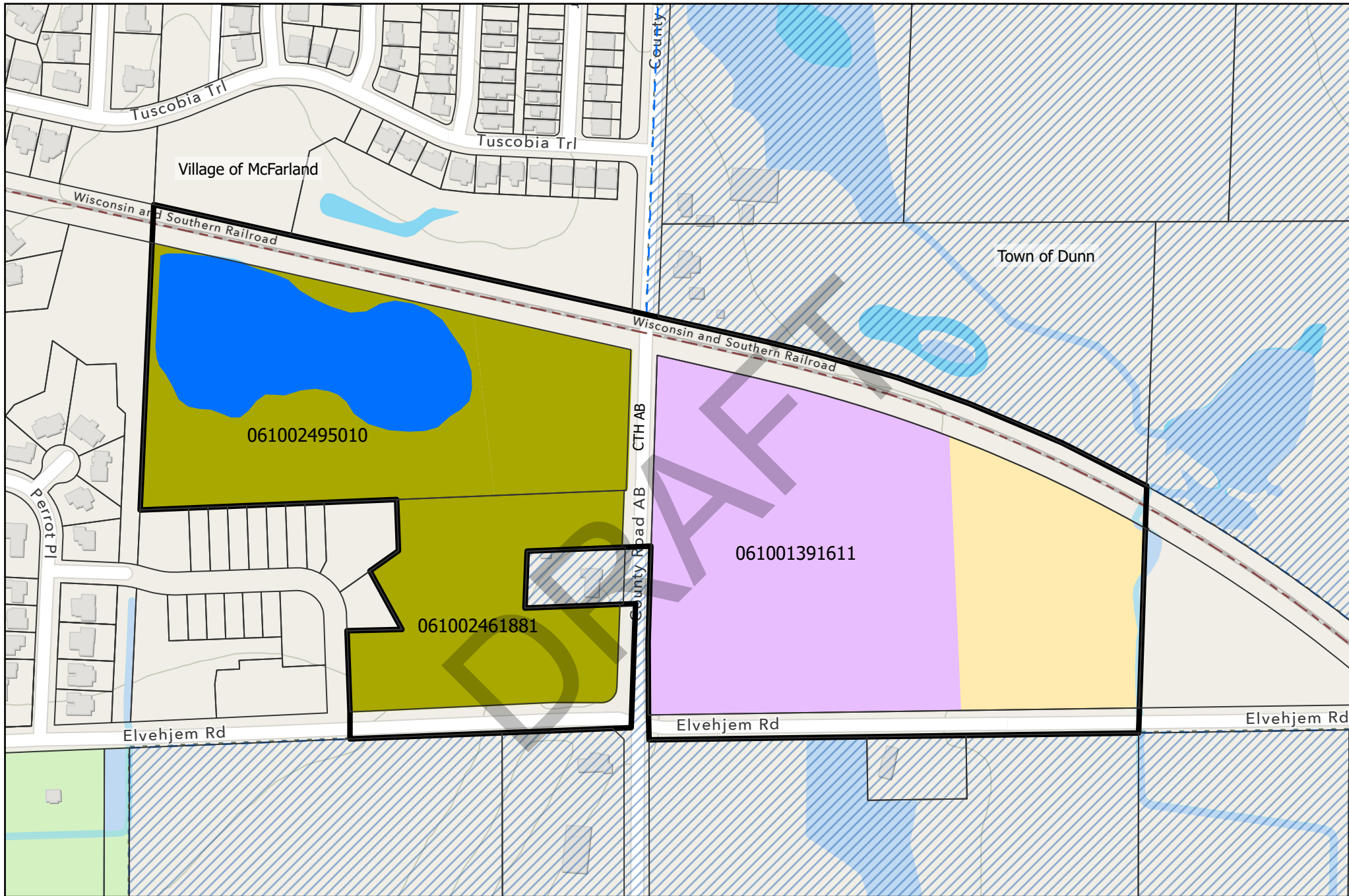
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|---|--------------|---|-----------------------------|
|  | TID #7 |  | A-1 Agricultural Transition |
|  | Railroads |  | PD Planned Development |
|  | Town of Dunn | | |
|  | Parcels | | |

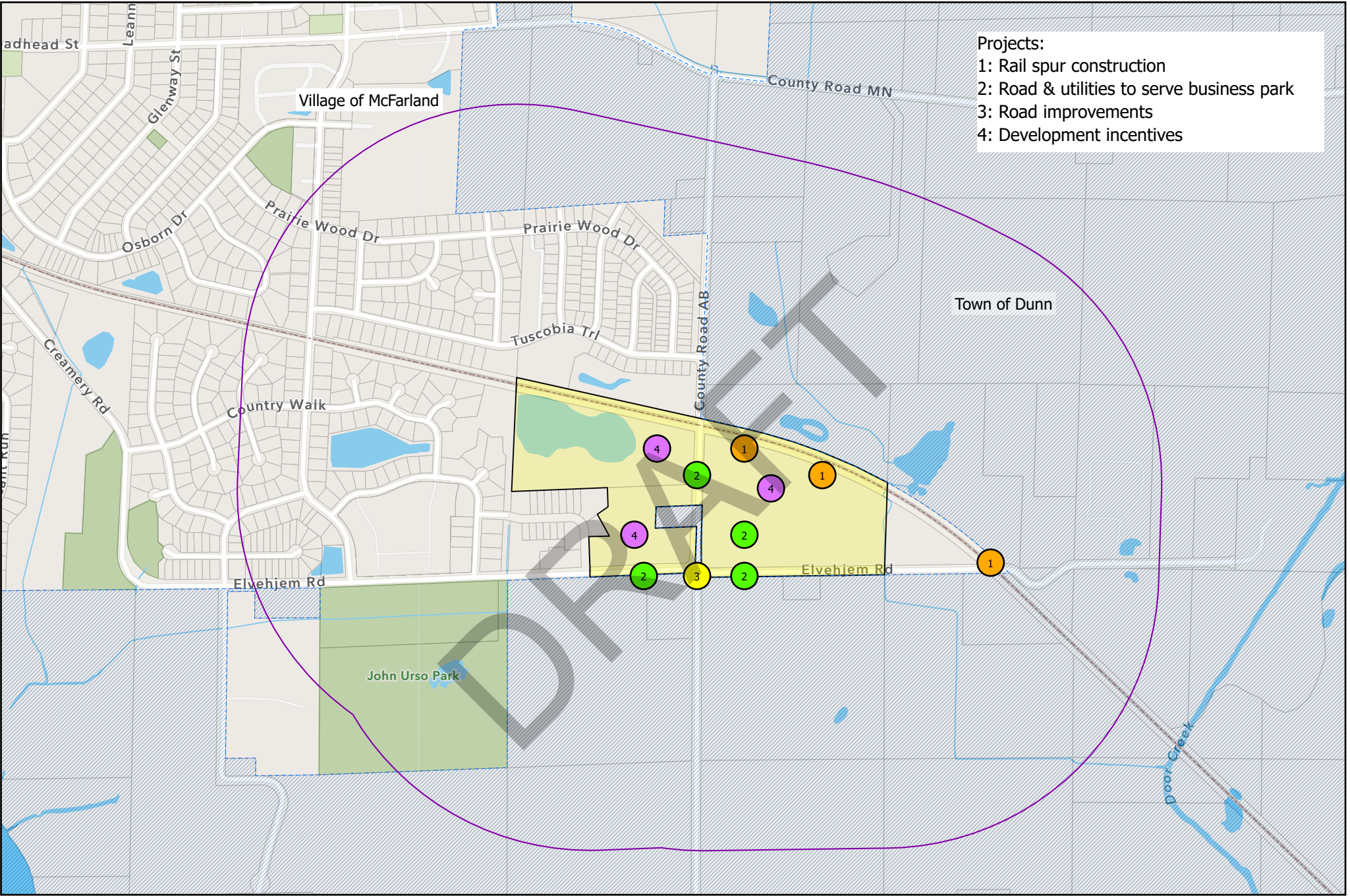
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April 2026







TID #7
Railroads



Town of Dunn
Half-Mile Radius

