VILLAGE OF MCFARLAND | **Joint Review Board** | *NOTICE OF PUBLIC MEETING*

Tuesday, June 4, 2024 | **3:00 PM** | **McFarland Municipal Center**
5915 Milwaukee St, McFarland
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The public may attend in-person or remotely through the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/83384526158
Or by Telephone: +1 (312) 626-6799
Webinar ID: 833 8452 6158
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 members of the public to address the Joint Review Board for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Board about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. Members of the public who are present in person and wish to address the Board 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 comments to the Board for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to community.development@mcfarland.wi.us to be included as part of the meeting.

      Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.

4. APPROVAL OF MINUTES
   a. Motion to approve the minutes of the June 20, 2023, Joint Board of Review meeting.

5. BUSINESS.
   a. Discussion and action to appoint the Public Member of the Joint Review Board for Tax Increment Districts #6 and #7.
   b. Discussion and action to appoint the Chairperson to Tax Increment Districts #6 and #7.
   c. Discussion and action to accept the 2023 Annual Report for Tax Increment District #3.
   d. Discussion and action to accept the 2023 Annual Report for Tax Increment District #4.
   e. Discussion and action to accept the 2023 Annual Report for Tax Increment District #5.

f. Discussion regarding creation of Tax Increment District #7.

g. Discussion regarding creation of Tax Increment District #6.

h. Discussion regarding an allocation amendment of Tax Increment District #3 to Tax Increment District #5 and #6.

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
June 20, 2023

Working - DRAFT MINUTES

1. CALL TO ORDER.

   Carolyn Clow called the meeting to order at 3:16 pm.

2. ROLL CALL.

   Members present: Carolyn Clow (Village President), Adam Gallagher (Dane County), Sylvia Ramirez (MATC).

   Members absent: Jeff Mahoney (McFarland School District), Tammy Olson (Public Member).

   Staff present: Andrew Bremer (McFarland Community & Economic Development Director)

3. PUBLIC APPEARANCES.

   None.

4. BUSINESS.

   a. Motion to approve the minutes of the June 30, 2021 Joint Review Board meeting.

      Clow moved to approve the June 20, 2021 minutes, seconded by Gallagher. Motion carried 3-0.

   b. Motion to approve the minutes of the July 13, 2022 Joint Review board meeting.

      Clow moved to approve the July 13, 2022 minutes, seconded by Gallagher. Motion carried 3-0.

5. BUSINESS.

   a. Discussion and action to accept the 2022 Annual Report for Tax Increment District #3.

      Bremer reviewed the annual report for TID #3 as included in packets with members. Clow moved to accept the 2022 Annual Report for Tax Increment District #3. Ramirez seconded the motion. Motion carried 3-0.

   b. Discussion and action to accept the 2022 Annual Report for Tax Increment District #4

      Bremer reviewed the annual report for TID #4 as included in packets with members.

Clow moved to accept the 2022 Annual Report for Tax Increment District #4. Gallagher seconded the motion. Motion carried 3-0.

c. Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #5.

Bremer reviewed the annual report for TID #5 as included in packets with members. Clow moved to accept the 2022 Annual Report for TID #5. Gallagher seconded the motion. Motion carried 3-0.

6. SCHEDULE NEXT MEETING DATE

To be determined

7. ADJOURNMENT

Clow moved to adjourn, seconded by Ramirez. Motion carried 3-0.
Meeting adjourned at 3:34 p.m.

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action to appoint the Public Member of the Joint Review Board for Tax Increment Districts #6 and #7.**

PREVIOUS ACTION:
July 13, 2022. Joint Review Board approved Tammy Olson as the Public Member of the McFarland Joint Review Board for Tax Increment Districts #3, #4, and #5.

ISSUE SUMMARY:
Wis. State Statute 66.1105 requires the Joint Review Board to approve the Public Member for each new TID within a municipality. Tammy Olson currently serves as the Public Member on the JRB for TIF Districts 3, 4, and 5. President Clow has nominated her to serve as the Public Member for TIDs 6 and 7.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to appoint Tammy Olson as the Public Member of the Joint Review Board for Tax Increment Districts #6 and #7.

ATTACHMENTS:
None

VILLAGE OF

McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action to appoint the Chairperson to Tax Increment Districts #6 and #7.**

PREVIOUS ACTION:
June 30, 2021. Joint Review Board approved President Clow to serve as the Chair for TIDs #3, 4, and 5.

ISSUE SUMMARY:
Wis. State Statute 66.1105 requires the Joint Review Board to approve the Chair for each new TID within a municipality. President Clow currently serves as the Chair of the JRB for TIF Districts 3, 4, and 5.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to appoint Village President Carolyn Clow as the Chair of Tax Increment Districts #6 and #7.

ATTACHMENTS:
None

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action to accept the 2023 Annual Report for Tax Increment District #3.**

PREVIOUS ACTION:

ISSUE SUMMARY:
ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose of reviewing an annual report of each TIF District with the other overlying taxing jurisdictions. Various financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the draft WDOR PE-300 forms prepared for the year 2023 included in the packet.

TID #3 2023 Annual Report Highlights:
TID #3 was created as a post 1995 Industrial TID on August 9, 2004. The expenditure period ended on August 8, 2022. The TID expires on August 9, 2027, and is not presently forecast for closure prior to this date. TID #3 also serves as a donor to TID #4 as authorized by the JRB on July 14, 2015.

- The 2023 Tax Increment Value of the District was $78,402,400, up from $66,652,700 in 2022. The 17.7% increase in tax increment value was largely due to market increases in property values throughout the district versus net new construction, although the completion of two new buildings occurred (Waubesa Village Phase 4 and 4313 Triangle Street).
- In 2023, the TID collected $1,196,495 in tax increments, up from $965,291 the prior year, and will increase to $1,339,260 in 2024.
- 2023 Sources of Funds totaled $1,365,206, while Uses of Funds totaled $1,992,359, resulting in an annual cash flow of -$627,153.
- Year-end TID Fund Balance was $604,357, down from 2022 year-end balance of $936,693.
- Remaining debt service payments total $1,448,625 for reconstruction of a portion of Terminal Drive completed in 2022.
- Estimated remaining expenditures through 2027 total $7,416,031 (not including potential donations to TID #4 in years 2025-207) while estimated remaining total revenues

through 2027 total $7,416,031, for a projected surplus of $4,350,446.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to accept the 2023 Annual Report for Tax Increment District #3.

ATTACHMENTS:
1. 13154-TID003-Annual Report-2023

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 1 – Municipality and TID

Co-muni code	Municipality		County	Due date	Report type
13154	MCFARLAND		DANE	07/01/2024	ORIGINAL
TID number	TID type	TID name	Creation date	Mandatory termination date	Expected termination date
003	4	MCF TID 003	08/09/2004	08/09/2027	N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	**$1,286,693**

Section 3 – Revenue		Amount
Tax increment		$1,196,495
Investment income		$80,627
Debt proceeds		$0
Special assessments		$0
Shared revenue		$52,721
Sale of property		$0
Allocation from another TID		
Developer guarantees		
Developer name	Ezra Properties	$3,737
Developer name	4313 LLC	$9,631
Transfer from other funds		
Grants		
Other revenue		
Source	Miscellaneous	$21,995
Total Revenue (deposits)		**$1,365,206**

Section 4 – Expenditures		Amount
Capital expenditures		$188,348
Administration		$87,706
Professional services		$45,022
Interest and fiscal charges		$88,286
DOR fees		$150
Discount on long-term debt		$0
Debt issuance costs		$0
Principal on long-term debt		$598,000
Environmental costs		$0
Real property assembly costs		$0
Allocation to another TID		
TID number	004	$733,347
Developer grants		
Developer name	Waubesa Village	$226,500
Developer name	4313 LLC	$25,000
Transfer to other funds		
Other expenditures		
Total Expenditures		**$1,992,359**

Section 5 – Ending Balance	Amount
TID fund balance at end of year	**$659,540**
Future costs	**$3,725,125**
Future revenue	**$7,416,031**
Surplus or deficit	**$4,350,446**

Section 6 – TID New Construction

Current Year TID New Construction Values				
TID	TID New Construction Increase	TID New Construction Decrease	Prior Year Correction	TID Net New Construction (NNC)
003	$3,335,400	$-862,900	$0	$2,472,500
004	$1,085,000	$0	$0	$1,085,000
005	$195,000	$0	$0	$195,000
Total	**$4,615,400**	**$-862,900**	**$0**	**$3,752,500**

Current Year Allowable Levy Increase Attributable to TID NNC					
TID	TID Net New Construction	Prior Year Municipal Equalized Value	TID Net New Construction %	Prior Year Adjusted Actual Levy	Allowable Levy Increase Attributable to TID Net New Construction
003	$2,472,500	$1,434,947,800	0.17	$5,333,353	$9,067
004	$1,085,000	$1,434,947,800	0.08	$5,333,353	$4,267
005	$195,000	$1,434,947,800	0.01	$5,333,353	$533
Total	**$3,752,500**	**$1,434,947,800**	**0.26**	**$5,333,353**	**$13,867**

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per $100,000
$13,867	$0.13867

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 7 – Preparer/Contact Information

Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.gov**	Preparer phone **(608) 838-3154**
Contact name **Andrew Bremer**	Contact title **Community & Economic Development Director**
Contact email **andrew.bremer@mcfarland.wi.gov**	Contact phone **(608) 838-3154**

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action to accept the 2023 Annual Report for Tax Increment District #4.**

PREVIOUS ACTION:

ISSUE SUMMARY:
ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose of reviewing an annual report of each TIF District with the other overlying taxing jurisdictions. Various financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the draft WDOR PE-300 forms prepared for the year 2023 included in the packet.

TID #4 2023 Annual Report Highlights:
TID #4 was created as a post 1995 Blight TID on January 14, 2008. In 2015, the Village requested, and the Department of Revenue approved, a Base Value Redetermination (BVR) of the District. The BVR adjusted the expenditure period to January 14, 2028, and the termination date to January 14, 2033. The TID is not presently forecast for closure prior to this date. TID #3 serves as a donor to TID #4 as authorized by the JRB on July 14, 2015. TID #4 first began collecting tax increments in 2017 after not having collected any since its inception due to negative assessment growth caused by the Great Recession. This has contributed to its financial health as it has historically had very little revenue to offset operating costs from year to year.

- The 2023 Tax Increment Value of the District was $8,309,900, up from $6,065,700 in 2022. The 47.3% increase in tax increment value was largely due to market increases in property values throughout the district and the completion of a new mixed-use building (5411 Bashford Street).
- In 2023, the TID collected $108,886 in tax increment, up from $101,952 the prior year, and will increase to $152,574 in 2024.
- 2023 Sources of Funds totaled $882,325, while Uses of Funds totaled $1,042,547, resulting in an annual cash flow of -$160,222.
- Year-end TID Fund Balance was $265,361, down from 2022 year-end balance of $425,583.
- Remaining existing debt service payments total $99,110 related to a 2017 Bond for a

development agreement (5020 Farwell Street).

- Estimated remaining expenditures from the Project Plan total $12,514,861 while estimated remaining revenues total $14,814,498, for a projected surplus of $2,564,998.
- In 2023, the Village's Fire/EMS, Police, and Court services relocated from the Municipal Center into a new building. The Village is currently working with an architect to redesign the Municipal Center into a Community Center to serve seniors, youth, and remaining Village Departments. The future Community Center has the potential to serve as a catalyst for redevelopment of other properties in TID #4. In 2023, the Village acquired two properties (5810 Main and 5810 Milwaukee) for the purpose of land banking to facilitate future redevelopment opportunities.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to accept the 2023 Annual Report for Tax Increment District #4.

ATTACHMENTS:
1. 13154-TID004-Annual Report-2023

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 1 – Municipality and TID					
Co-muni code **13154**	Municipality **MCFARLAND**		County **DANE**	Due date **07/01/2024**	Report type **ORIGINAL**
TID number **004**	TID type **2**	TID name **MCF TID 004**	Creation date **01/14/2008**	Mandatory termination date **01/14/2035**	Expected termination date **N/A**

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	**$425,583**

Section 3 – Revenue	Amount
Tax increment	$108,886
Investment income	$13,908
Debt proceeds	$0
Special assessments	$0
Shared revenue	$6,903
Sale of property	$0
Allocation from another TID	
TID number 003	$733,347
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Source Miscellaneous	$19,281
Total Revenue (deposits)	**$882,325**

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 4 – Expenditures		Amount
Capital expenditures		$735,226
Administration		$63,626
Professional services		$28,975
Interest and fiscal charges		$2,570
DOR fees		$150
Discount on long-term debt		$0
Debt issuance costs		$0
Principal on long-term debt		$30,000
Environmental costs		$0
Real property assembly costs		$0
Allocation to another TID		
Developer grants		
Developer name	5411 Bashford LLC	$172,000
Developer name	McFarland House Cafe Inc.	$10,000
Transfer to other funds		
Other expenditures		
Total Expenditures		**$1,042,547**

Section 5 – Ending Balance	Amount
TID fund balance at end of year	**$265,361**
Future costs	**$12,514,861**
Future revenue	**$14,814,498**
Surplus or deficit	**$2,564,998**

Section 6 – TID New Construction

Current Year TID New Construction Values				
TID	TID New Construction Increase	TID New Construction Decrease	Prior Year Correction	TID Net New Construction (NNC)
003	$3,335,400	$-862,900	$0	$2,472,500
004	$1,085,000	$0	$0	$1,085,000
005	$195,000	$0	$0	$195,000
Total	**$4,615,400**	**$-862,900**	**$0**	**$3,752,500**

Current Year Allowable Levy Increase Attributable to TID NNC					
TID	TID Net New Construction	Prior Year Municipal Equalized Value	TID Net New Construction %	Prior Year Adjusted Actual Levy	Allowable Levy Increase Attributable to TID Net New Construction
003	$2,472,500	$1,434,947,800	0.17	$5,333,353	$9,067
004	$1,085,000	$1,434,947,800	0.08	$5,333,353	$4,267
005	$195,000	$1,434,947,800	0.01	$5,333,353	$533
Total	**$3,752,500**	**$1,434,947,800**	**0.26**	**$5,333,353**	**$13,867**

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per $100,000
$13,867	$0.13867

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 7 – Preparer/Contact Information

Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.gov**	Preparer phone **(608) 838-3154**
Contact name **Andrew Bremer**	Contact title **Community & Economic Development Director**
Contact email **andrew.bremer@mcfarland.wi.gov**	Contact phone **(608) 838-3154**

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and action to accept the 2023 Annual Report for Tax Increment District #5.**

PREVIOUS ACTION:

ISSUE SUMMARY:
ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose of reviewing an annual report of each TIF District with the other overlying taxing jurisdictions. Various financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the draft WDOR PE-300 forms prepared for the year 2023 included in the packet.

TID #5 2023 Annual Report Highlights:
TID #5 was created as a Rehabilitation & Conservation District on December 11, 2017. The expenditure periods runs through December 11, 2039, and the closure date is December 11, 2044. The TID is not presently forecast for closure prior to this date.

- The 2023 Tax Increment Value of the District was $18,071,900, up from $12,970,400 in 2022. The 39.3% increase in tax increment value was largely due to market increases in property values throughout the district and the completion of a new multi-tenant commercial building (4719 Farwell Street - Atwater Phase 2).
- In 2023, the TID collected $232,834 in tax increment, up from $201,753 the prior year, and will increase to $319,464 in 2024.
- 2023 Sources of Funds totaled $243,611, while Uses of Funds totaled $153,809, resulting in an annual cash flow of $89,802.
- Year-end TID Fund Balance was -$395,164, up from 2022 year-end balance of -$484,966.
- Remaining existing debt service payments total $1,106,157 related to a 2019 Bond for the acquisition and development agreement for Atwater Phase 1 & 2 (4719-21 Farwell Street).
- Cumulative advances from TID #3 total $397,466, which is due for repayment prior to TID #3 closing in 2027. The TID is not projected to have sufficient annual cash flow to retire the entire cumulative advances prior to 2027 and would benefit from an allocation

amendment of TID #3 to establish TID #3 as a donor to TID #5.

- Estimated remaining expenditures from the Project Plan total $36,902,480 while estimated remaining revenues total $43,271,496 for a projected surplus of $5,973,752.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to accept the 2023 Annual Report for Tax Increment District #5.

ATTACHMENTS:
1. 13154-TID005-Annual Report-2023

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 1 – Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date 07/01/2024	Report type ORIGINAL
TID number 005	TID type 3	TID name MCF TID 005	Creation date 12/11/2017	Mandatory termination date 12/11/2045	Expected termination date N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	$-484,966

Section 3 – Revenue	Amount
Tax increment	$232,834
Investment income	$10,496
Debt proceeds	$0
Special assessments	$0
Shared revenue	$281
Sale of property	$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	$243,611

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 4 – Expenditures	Amount
Capital expenditures	$0
Administration	$62,837
Professional services	$14,367
Interest and fiscal charges	$26,555
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$50,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants	
Developer name The Atwater and Lakestone Holdings	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$153,909**

Section 5 – Ending Balance	Amount
TID fund balance at end of year	**$-395,264**
Future costs	**$36,902,480**
Future revenue	**$43,271,496**
Surplus or deficit	**$5,973,752**

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 6 – TID New Construction

Current Year TID New Construction Values				
TID	TID New Construction Increase	TID New Construction Decrease	Prior Year Correction	TID Net New Construction (NNC)
003	$3,335,400	$-862,900	$0	$2,472,500
004	$1,085,000	$0	$0	$1,085,000
005	$195,000	$0	$0	$195,000
Total	**$4,615,400**	**$-862,900**	**$0**	**$3,752,500**

Current Year Allowable Levy Increase Attributable to TID NNC					
TID	TID Net New Construction	Prior Year Municipal Equalized Value	TID Net New Construction %	Prior Year Adjusted Actual Levy	Allowable Levy Increase Attributable to TID Net New Construction
003	$2,472,500	$1,434,947,800	0.17	$5,333,353	$9,067
004	$1,085,000	$1,434,947,800	0.08	$5,333,353	$4,267
005	$195,000	$1,434,947,800	0.01	$5,333,353	$533
Total	**$3,752,500**	**$1,434,947,800**	**0.26**	**$5,333,353**	**$13,867**

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per $100,000
$13,867	$0.13867

Form PE-300	TID Annual Report	2023 WI Dept of Revenue

Section 7 – Preparer/Contact Information

Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.gov**	Preparer phone **(608) 838-3154**
Contact name **Andrew Bremer**	Contact title **Community & Economic Development Director**
Contact email **andrew.bremer@mcfarland.wi.gov**	Contact phone **(608) 838-3154**

VILLAGE OF

McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion regarding creation of Tax Increment District #7.**

PREVIOUS ACTION:
5.8.24 Community Development Authority preliminary review of proposed TID #7 boundary and district type.

ISSUE SUMMARY:
Included in the packet is a preliminary boundary for a new Tax Increment Finance District No. 7. The purpose of this agenda item is to introduce the proposed TID. Review and action on the draft Project Plan by the Joint Review Board will occur within 45 days after July 23, 2024 when the Village Board has acted on the proposed TID. The last new business park created in McFarland was the Badger Business Park in 2000, consisting of seven lots encompassing McFarland Court (TID #3). The pace of new commercial and industrial building development in McFarland has been significantly hampered by the lack of available buildable lots for this type of development. From 2014 through 2023 the Village approved a total of 28 new commercial and industrial building permits (not including additions or alterations), or less than three per year. However, a large portion of these permits includes multiple commercial storage unit buildings that were part of a condominium, accessory buildings, or public improvements (e.g. school or Village park shelters that are classified as a "commercial" building permit). Subtracting these from the total, only 8 new commercial buildings were constructed from 2014-2023, of which three were mixed-use buildings and one was a replacement of an existing building. As of January 1, 2024, there are only five vacant commercially zoned properties in the Village's existing urban service area boundary. The remaining portion of this staff report was presented to the Village's Community Development Authority at their May 8, 2024 meeting.

The Village currently has three active TIF Districts, TID's #3, #4, and #5. The Village previously closed TID's 1 and 2. A new overlay TID #6 is also being proposed as discussed in the next agenda item. The proposed area for TID #7 is along the north and south sides of Siggelkow Road within the Village's East Side Neighborhood. Jeff Whipple from Interstate Partners has prepared an initial proposed boundary map with input from staff. Interstate Partners acquired 60-acres of farmland near the Hope Rod & Gun Club last year with the intent of pursuing the development of a new business park in McFarland. Jeff talked about this potential development at a joint PC/CDA preapplication meeting on November 21st, 2023. The packet also includes a preliminary map of proposed uses and a copy of the Future Land Use Map from the Village's East Side Neighborhood Plan. No official development applications have been submitted to the Village to date. Interstate Partners is still working with their civil engineer to design the development of the property for future Village review and approval.

The purpose of this meeting is to discuss the proposed boundary of the new TIF District and the general mechanics of how TIF districts are created and used by municipalities to encourage new development. Staff has created a website to explain Tax Increment Financing, including links to some third party videos, brochures and FAQs.

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 1,390 active TIDs in the State. The DOR maintains a TIF Manual for those inserted in a deeper dive into the TIF mechanics, processes and requirements. Common definitions and terms related to Tax Increment Financing:

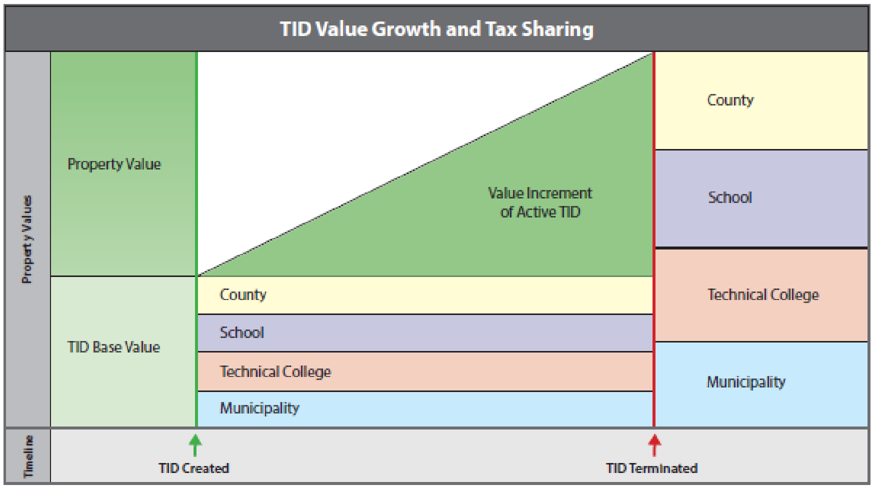
- TIF (Tax Increment Financing). An economic development financing tool.
- TID (Tax Increment District). The area/boundary where TIF is used.
- Project Plan. A document explaining the financial details, development plans and maps for the TID.
- Base Value. The total value, as equalized by DOR, of the 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, Mixed-Use, and Medium Density Residential in the Village's 2023 East Side Neighborhood Plan. Based on the Proposed Uses Map in the packet, TID 7 is proposed as a Mixed-Use TID. Mixed-Use districts include a combination of residential, commercial, and industrial uses.

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

VILLAGE OF McFarland

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. Other portions of the East Side Plan include Mixed Use areas that encourage net densities over 15 units per acre.
2. Residential housing is located in a conservation subdivision (not applicable)
3. Residential housing is located in a traditional neighborhood development (could be 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 7 boundary map follows these state statute requirements. There are 10 proposed properties for inclusion in TID 7 totaling 228 acres. The total Base Value (current assessment values) is approximately $2M. 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 ($105,406,200), can't exceed 12% of the Total Equalized Value of properties in the municipality ($1,617,865,600). This is known as the 12% compliance test. According to the DOR, the Village's 2023 percentage is 6.52%. The creation of TIDs 6 & 7 is anticipated to increase this value to approximately 8%. Thus, even with the creation of TIDs 6 & 7, the Village will have remaining capacity to create or amend existing TIDs in the future.

Future meetings in June and July will be used to review and recommend the Project Plan for the TID. This includes a deeper dive into the projected TID revenues and expenses within the draft Project Plan. 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.

The anticipated schedule is provided below, subject to change. Those meetings in bold include required meetings under Wis. State Statute 66.1105. Under Wis. State Statute 66.1105, the final decision regarding whether to create or amend the boundaries of an existing TIF District is under the authority of the Joint Review Board (JRB). The JRB is made up of the Village President, Public Member appointed by the Village President, a member of the McFarland School District, a member of Dane County, and a member of Madison Technical College. Once a TIF District is created, the Village Board has final authority over the annual budgeting and use of TIF district revenues.

- May 8 CDA meeting to review draft TID boundary
- May 21 Plan Commission meeting to review draft TID boundary
- **June 4 Joint Review Board meeting to review draft TID Project Plan**
- June 18 CDA meeting to review draft TID Project Plan
- **June 18 Plan Commission meeting to hold a public hearing on TID Project Plan**
- July 9 Village Board meeting to review draft TID Project Plan
- July 10 CDA meeting to recommend the TID Project Plan
- **July 16 Plan Commission meeting to recommend the TID Project Plan**
- **July 23 Village Board meeting to approve the TID Project Plan**
- **Within 45 days of July 23, Joint Review Board meeting to approve the TID Project Plan**

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:
2023-2024 Village Board Strategic Plan:

- Objective (C)(1) states attract and enhance new and existing commercial, restaurants, retail, mixed-use, and civic uses in the downtown area, USH 51/Farwell corridor, East Side Growth Area.
- Objective (C)(2) states develop incentives for business growth such as incubator programs, tax increment financing districts, and recruitment/retention.
- Action (C)(vi) advance East Side Plan, pursue recommendations and consider projects as applicable.

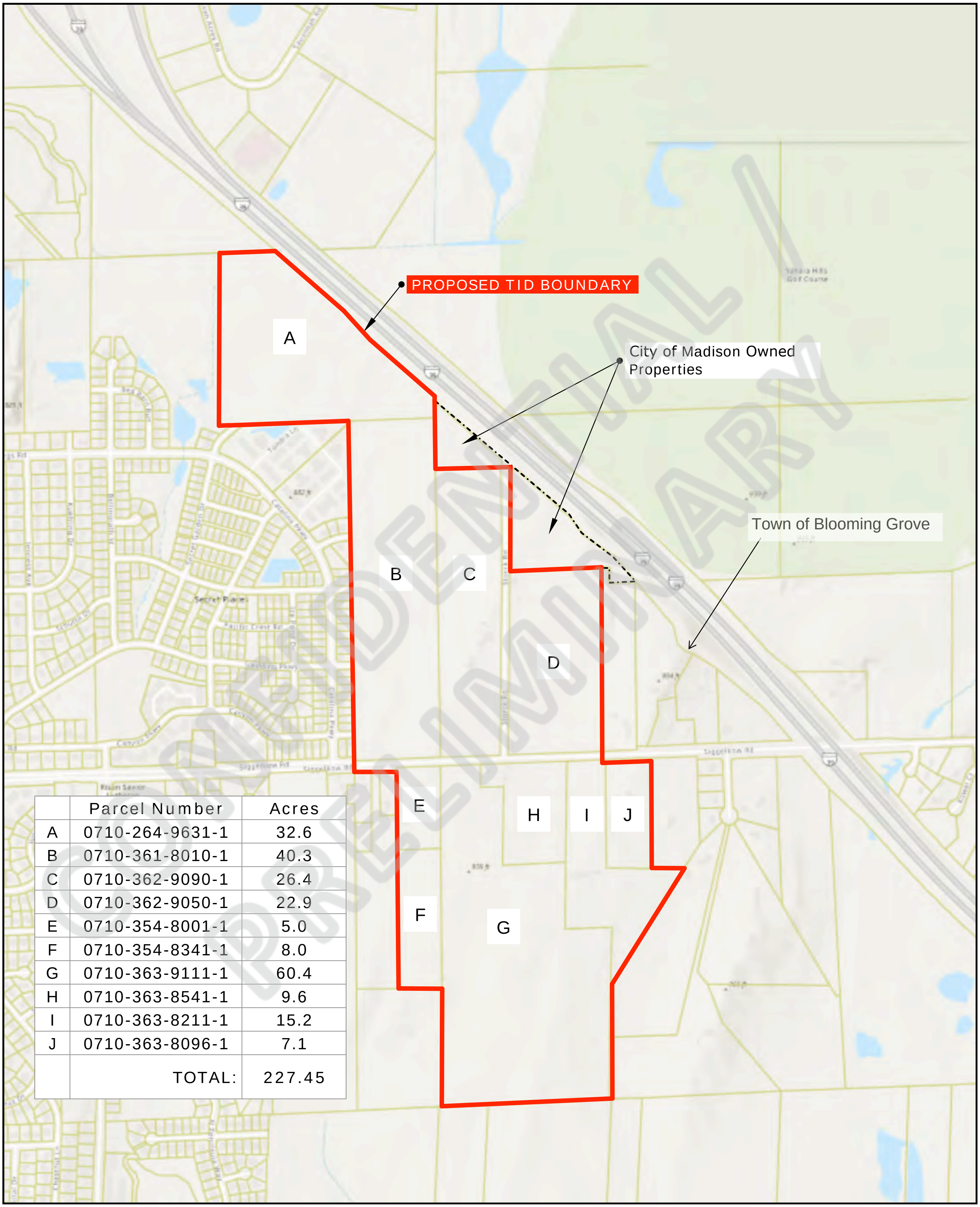
2023 East Side Neighborhood Plan. This plan identifies the area proposed for TID #7 primarily for future Business Park uses, but also including Medium Density Residential, Civic/Institutional/Utilities, and Mixed Use (High Density Residential and/or Commercial). Chapter 5 of the plan provides specific recommendations regarding creation of the east side business park, including creation of a tax increment finance district.

2023 Economic Strategic Plan. This plan includes a strategy to expand commercial and industrial land base of the Village, including creation of an east-side business park supported through the creation of a new Tax Increment Finance District.

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for discussion only.

ATTACHMENTS:
1. Draft TID 7 Boundary and Future Land Uses_05.02.24



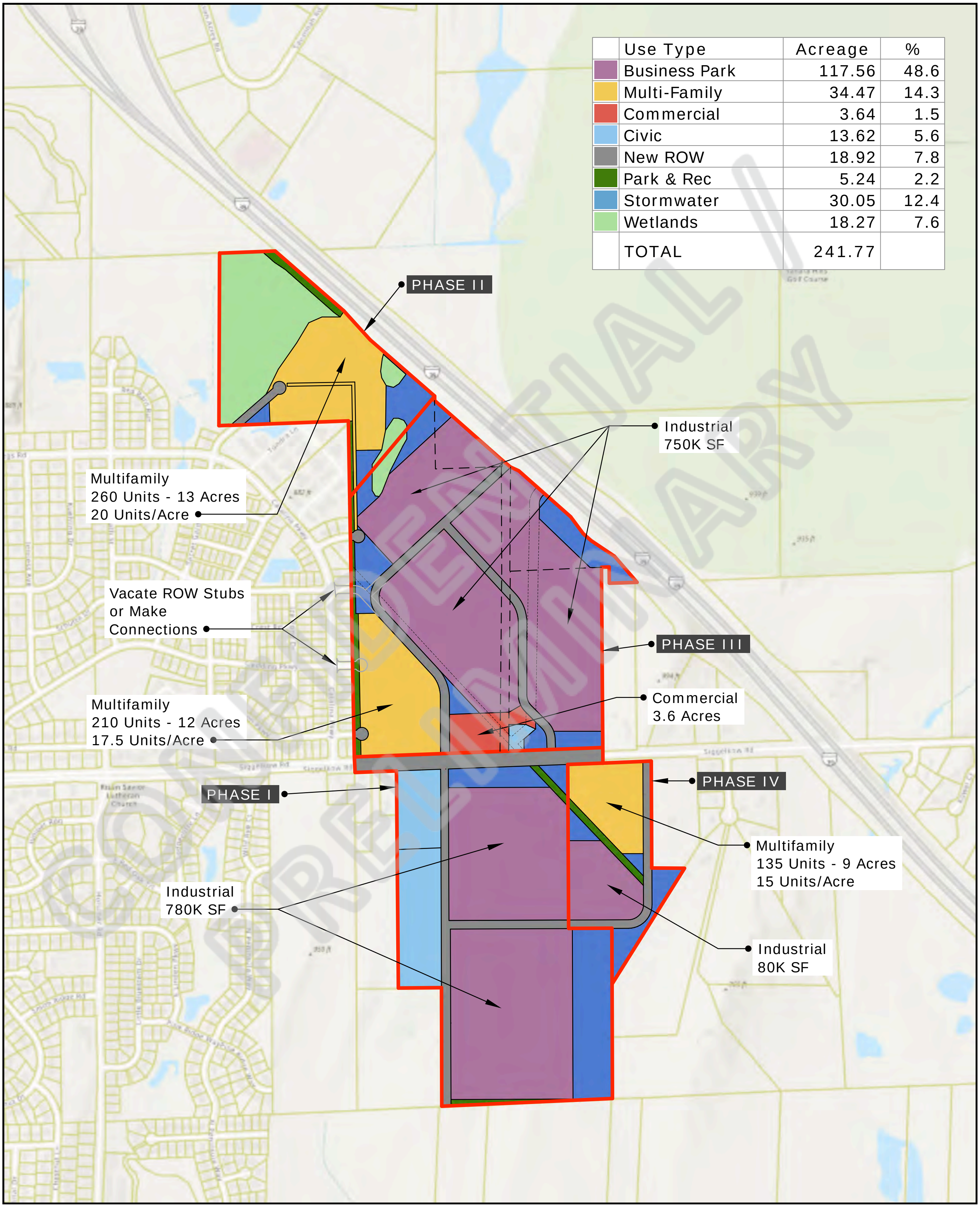
	Parcel Number	Acres
A	0710-264-9631-1	32.6
B	0710-361-8010-1	40.3
C	0710-362-9090-1	26.4
D	0710-362-9050-1	22.9
E	0710-354-8001-1	5.0
F	0710-354-8341-1	8.0
G	0710-363-9111-1	60.4
H	0710-363-8541-1	9.6
I	0710-363-8211-1	15.2
J	0710-363-8096-1	7.1
	TOTAL:	227.45

Interstate Partners LLC
Real Estate Development

McFarland Business Park TID

Proposed TID Boundary

SCALE: 1" = 1,000'



Use Type	Acreage	%
Business Park	117.56	48.6
Multi-Family	34.47	14.3
Commercial	3.64	1.5
Civic	13.62	5.6
New ROW	18.92	7.8
Park & Rec	5.24	2.2
Stormwater	30.05	12.4
Wetlands	18.27	7.6
TOTAL	241.77	

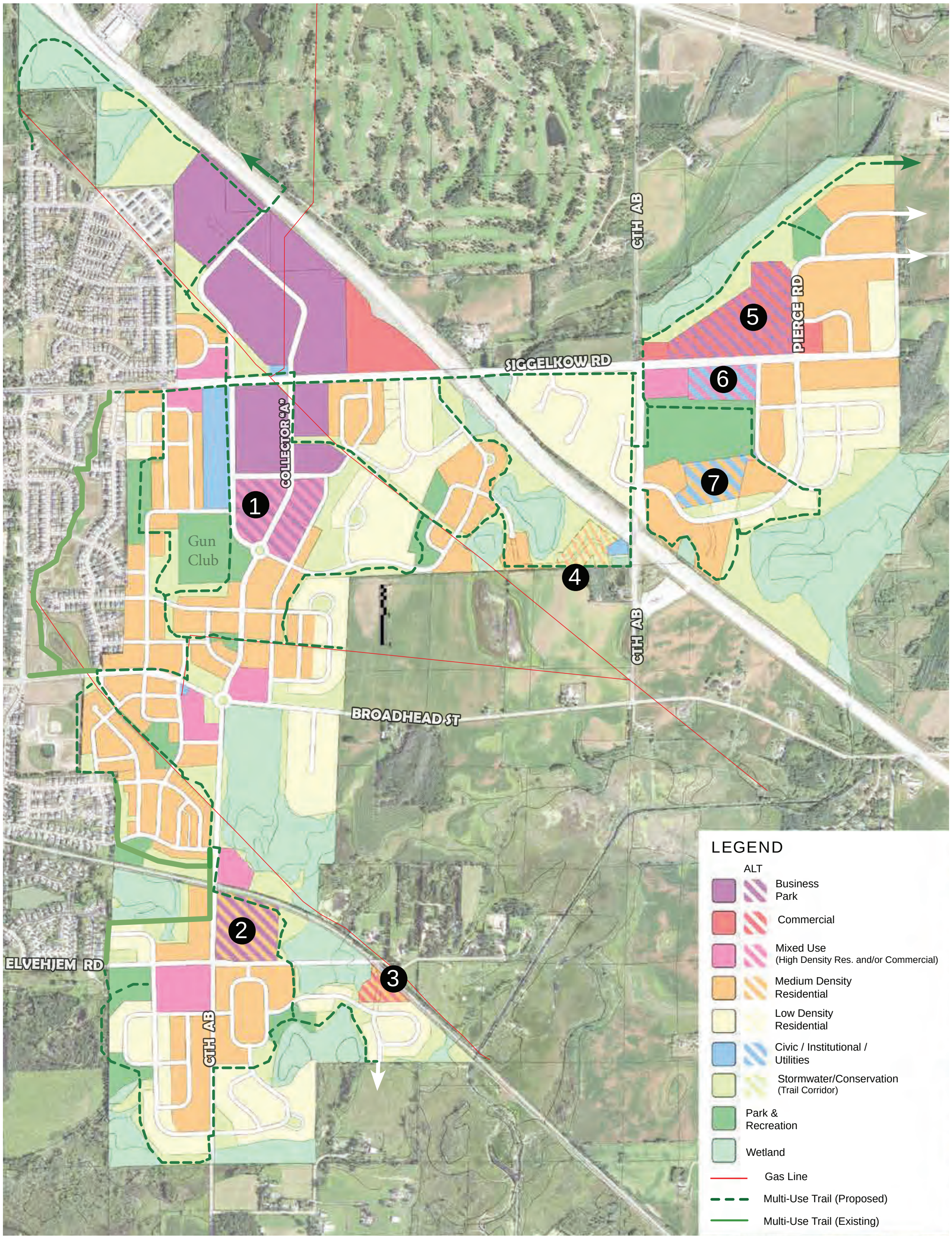
Interstate Partners LLC
Real Estate Development

McFarland Business Park TID

Proposed Uses

SCALE: 1" = 1,000'

Master Plan Concept



Design Themes

New collector road from Broadhead to Siggelkow veers northeast away from the Gun Club.

Business Park clustered around Siggelkow with a potential second business park area near CTH AB east of Interstate.

Housing throughout the planning area with medium- and high-density adjacent to major roadways with low-density along the edges of the growth area.

Smaller commercial nodes along Siggelkow w/ larger mixed use pockets south of Siggelkow.

Some connecting open spaces, but greater focus on smaller neighborhood parks.

Continuous trail network connecting the entire East Side planning to the existing Village trail network and adjacent regional trails.

NOTE: This is a conceptual development illustration. None of the above developments are being considered at the time of the planning process. Development plans will be proposed by property owners, and subject to Village review and approval using this plan as guidance for that approval.

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion regarding creation of Tax Increment District #6.**

PREVIOUS ACTION:
5.8.24 Community Development Authority preliminary review of proposed TID #6 boundary and district type.

ISSUE SUMMARY:
Included in the packet is a preliminary boundary for a new Tax Increment Finance District No. 6. The purpose of this agenda item is to introduce the proposed TID. Review and action on the draft Project Plan by the Joint Review Board will occur within 45 days after July 23, 2024 when the Village Board has acted on the proposed TID. The remaining portion of this staff report was presented to the Village's Community Development Authority at their May 8, 2024 meeting.

The previous agenda item includes background information on Tax Increment Financing and the proposed schedule to create TID #6 & 7. TID #6 is proposed as an overlay district of existing TID #3. The packet includes a map of the proposed TID #6 boundary, along with the boundary of existing TID #3. The map also includes those parcels that were identified as blighted parcels based on the analysis completed by the Village's planning consultant, MSA Professional Services, as part of the update to Redevelopment District No. 1 Plan. TID #3 was created on August 8, 2004, reached its expenditure period on August 8, 2022, and will close in 2027. While many public and private improvements have been completed in TID #3, there remain unrealized public improvements and underutilized properties within TID #3 that the Village desires to complete but are unlikely to materialize but for the creation of TID #6. TID #6 is proposed as a Blighted TID, which means it will have a 22 year expenditure period and a 27 year life.

The purpose of this meeting is to discuss the proposed boundary of the new TIF District and the general mechanics of how TIF districts are created and used by municipalities to encourage new development. Future meetings in June and July will be used to review and recommend the Project Plan for the TID. This includes a deeper dive into the projected TID revenues and expenses within the draft Project Plan. 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:

VILLAGE PLAN REFERENCE:
2023-2024 Village Board Strategic Plan:

- Objective (C)(1) states attract and enhance new and existing commercial, restaurants, retail, mixed-use, and civic uses in the downtown area, USH 51/Farwell corridor, East Side Growth Area.
- Objective (C)(2) states develop incentives for business growth such as incubator programs, tax increment financing districts, and recruitment/retention.
- Action (C)(ii) complete update to Redevelopment District Plan #1, including new Overlay TIF District.

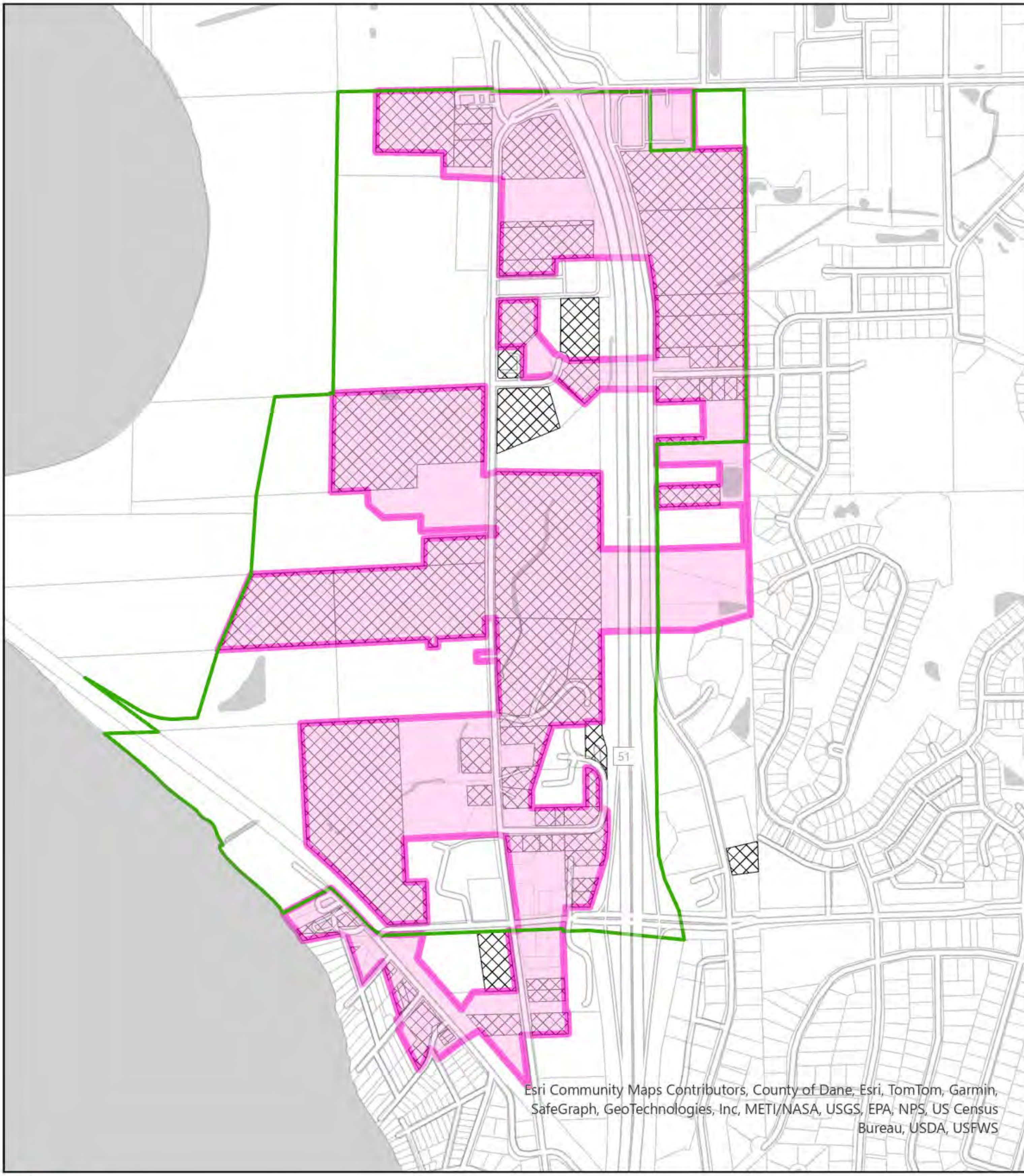
2010 Redevelopment District No 1. The 2010 Redevelopment District No. 1 Plan carried forward the recommendations from the 2005 Terminal & Triangle District Plan while also including a blight analysis of property within the district.

2005 Terminal & Triangle District Plan. Established future land use subdistricts (Highway 51 Design Subdistrict, Beltline-Oriented Commercial Subdistrict, Mixed-Use Lakeview Village Subdistrict, Industrial Center Subdistrict, Triangle/Meinders Subdistrict), including redevelopment concepts, site and building design guidelines. The plan notes the Terminal and Triangle District should be the focus of modern and clean industrial and mixed use redevelopment over the 20-year planning period. Its role is particularly important given its transportation access and the relatively limited economic opportunities in other parts of the Village for market, environmental, and intergovernmental reasons.

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This item is presented for discussion only.

ATTACHMENTS:
1. Draft TID 6 Boundary and Future Land Uses_05.02.24



MSA

Data Sources:
Dane County
Wisconsin State Cartographers Office
Imagery Provided by ESRI

TID #6 Proposed Boundary

TID #3 Existing Boundary

Blighted Parcels

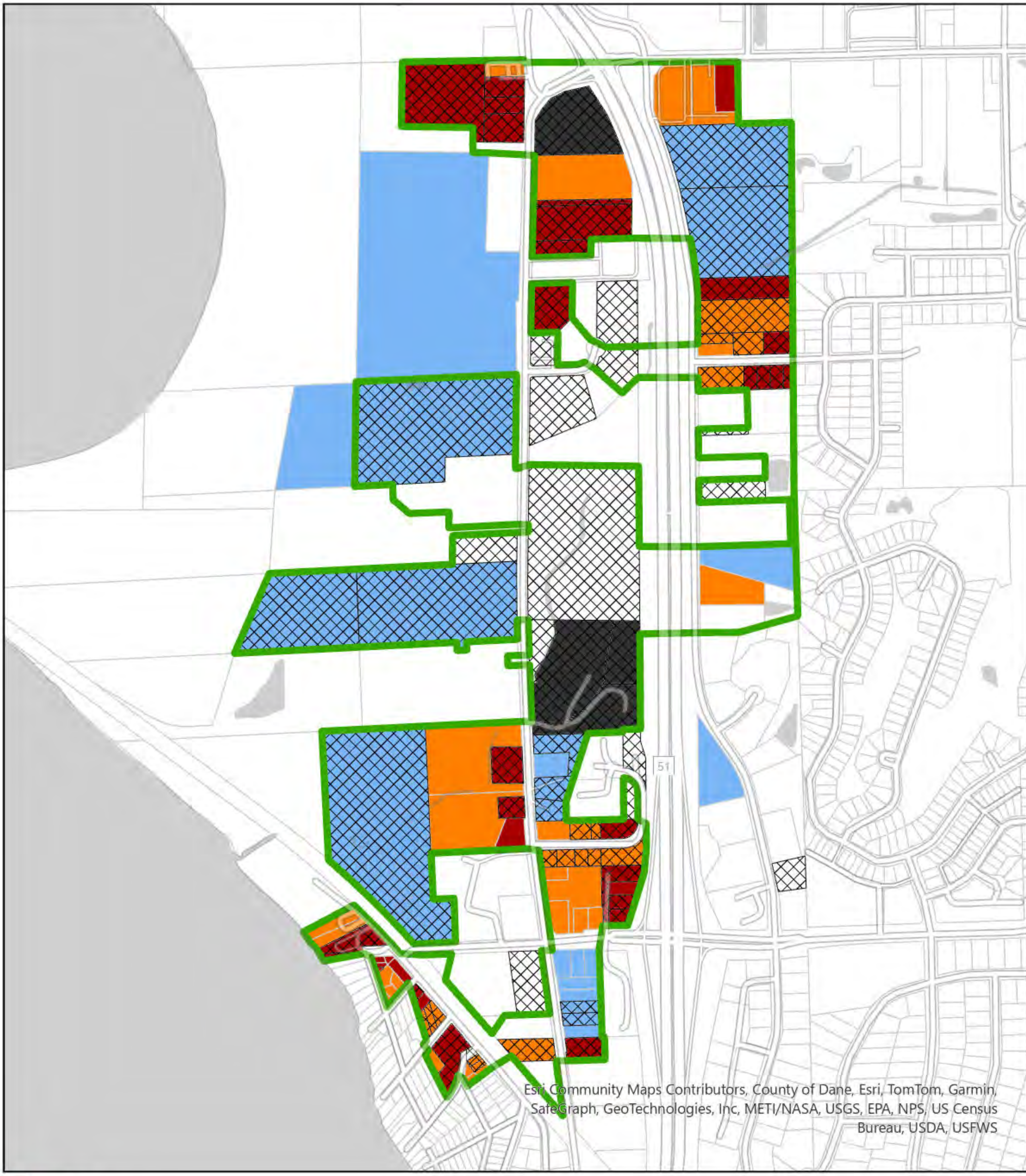
Parcels

0 250 500 Feet

TID No. 6

Proposed Boundary

Village of McFarland
Dane County, WI



MSA

Data Sources:
Dane County
Wisconsin State Cartographers Office
Imagery Provided by ESRI

Legend

- TID #6 Proposed Boundary
- Blighted Parcels
- Parcels
- Key Redevelopment Opportunity (Zone A)
- Key Redevelopment Expansion (Zone B)
- Potential Redevelopment (Zone C)
- Approved Redevelopment Plans

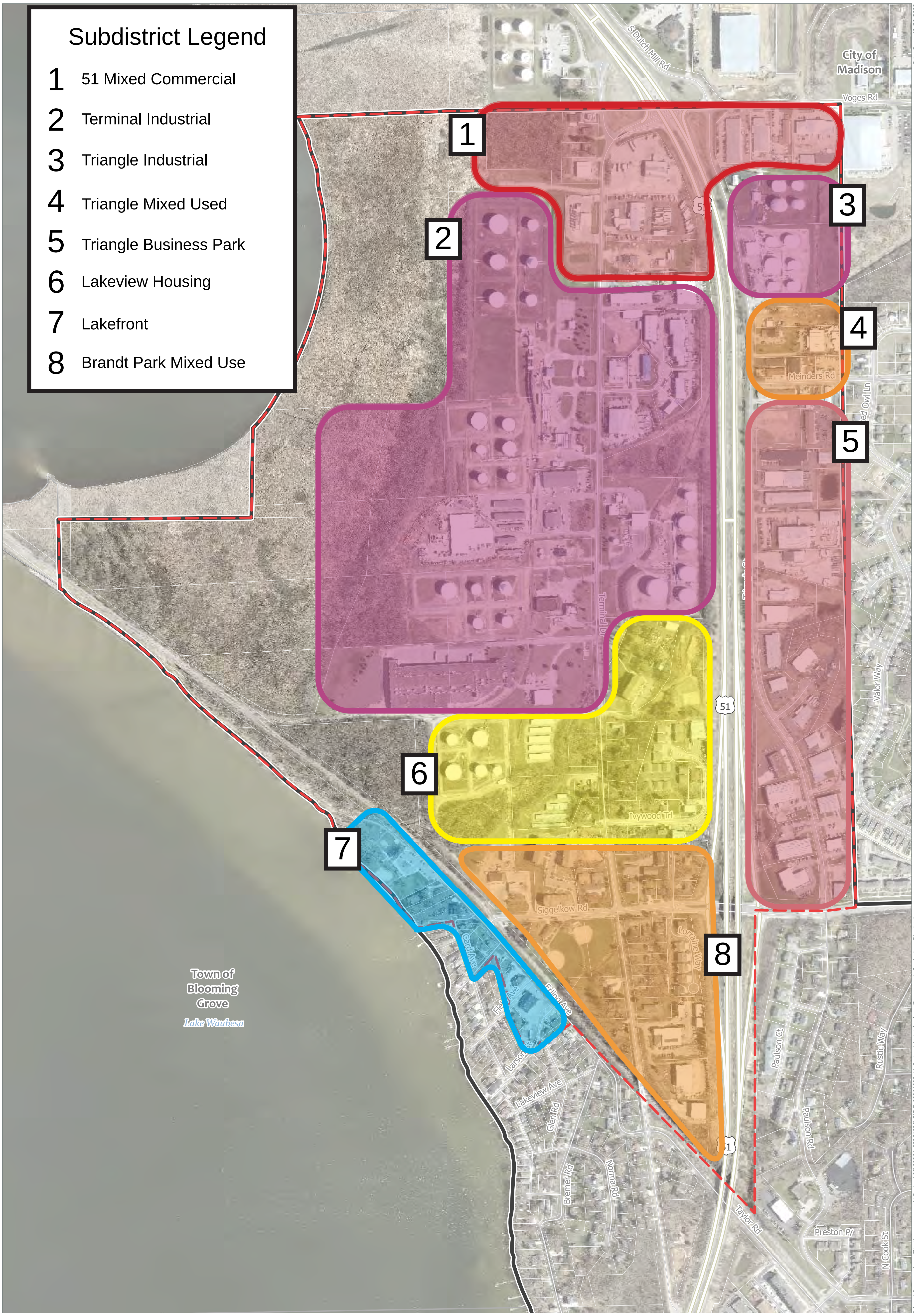
0 250 500 Feet

TID No. 6

Redevelopment Opportunities

Village of McFarland
Dane County, WI

District 1: Initial Concept "A"



McFarland Village of — Naturally Connected

MSA planning + design studio

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Tuesday, June 4, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion regarding an allocation amendment of Tax Increment District #3 to Tax Increment District #5 and #6.**

PREVIOUS ACTION:
5.8.24 Community Development Authority preliminary review of proposed TID #3 allocation amendment.

ISSUE SUMMARY:
The purpose of this agenda item is to introduce the proposed TID #3 allocation amendment. Review and action on the draft Project Plan by the Joint Review Board will occur within 45 days after July 23, 2024 when the Village Board has acted on the proposed TID amendment. The remaining portion of this staff report was presented to the Village's Community Development Authority at their May 8, 2024 meeting.

The third TIF project is to consider making TID #3 a "donor TID" to TIDs #5 & 6 through what is referred to as an Allocation Amendment. An allocation amendment allows a municipality to transfer excess increment from one TID (the Donor TID) to another TID (the Recipient TID). In 2017, the Village approved TID #3 as a Donor TID to TID #4. There is no limit to the number of allocation amendments or Recipient TIDs from a Donor TID. However, an Allocation Amendment requires:

- Donor and Recipient TIDs have the same overlying taxing jurisdictions, and
- Donor TID demonstrates the current increment is sufficient to pay off all costs and provide enough surplus revenue to pay some of the costs for the recipient TID, and
- Resolutions adopted by the Planning Commission and the legislative body to state specifically from which TID the increments are coming and to which TID the surplus is going.

In order to be a Recipient TID, the TID must either be a Blighted TID (proposed TID #6) or a Rehabilitation-Conservation TID (existing TID #5). The approval process to designate TID #3 as a Donor TID to TIDs #5 & 6 follows the same approval process as a TID creation. Once approved as a Donor TID, the allocation of surplus revenues from TID #3 to TID #5 or 6 is at the discretion of the Village Board and there is no obligation to donate surplus revenues. However, by establishing TID #3 as a Donor to TIDs #5 & 6 it provides the Village Board with greater financial flexibility to allocate surplus TID 3 revenues to complete public works and redevelopment projects in the recipient TIDs. In the case of TID #4, this has allowed the Village Board to pursue redevelopment projects without the need to borrow funds, thus eliminating the need to pay loan interest. Designating TID #3 as a Donor TID to TIDs #5 & 6 does not change TID #3's expenditure period, base value, or maximum life and does not prevent TID #3 from having an Affordable Housing Extension. Funds may be transferred to the Recipient TID until the Donor TID reaches its maximum or extended life.

The purpose of this meeting is to introduce the concept of an Allocation Amendment. Future meetings in June and July will be used to review and recommend the Project Plan for the TID. This includes a deeper dive into the projected TID revenues and expenses within the draft Project Plan.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
This agenda item is presented for discussion only.

ATTACHMENTS:
None