VILLAGE OF MCFARLAND **Community Development Authority** *NOTICE OF PUBLIC MEETING*

Wednesday, July 10, 2024 **7:00 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 CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:

https://us02web.zoom.us/j/83362413685

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

Webinar ID: 833 6241 3685

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

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.
    a. This is an opportunity for members of the public to address the Community Development Authority 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 Authority 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 Authority 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 Authority 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.

3. APPROVAL OF MINUTES.
    a. Motion to approve the minutes of the May 8, 2024 meeting.

4. BUSINESS.
    a. Discussion regarding the 2023 Annual Report for Tax Increment District #3.
    b. Discussion regarding the 2023 Annual Report for Tax Increment District #4.
    c. Discussion regarding the 2023 Annual Report for Tax Increment District #5.
    d. Discussion and action to make a recommendation to the Village Board to approve the creation of Tax Increment District #6.
    e. Discussion and action to make a recommendation to the Village Board to approve an Allocation Amendment of Tax Increment District #3 to make it a donor to Tax Increment District #5 and #6.

5. SCHEDULE NEXT MEETING DATE.
    a. Tuesday, July 30 at 7:00PM - TID #7 Public Information Meeting

b. Wednesday, August 14 at 7:00 PM (Regular Meeting)

6. 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.

Community Development Authority

Working Draft -MINUTES

May 8, 2024

Members Present: Stephanie Brassington, Luke Fessler, Elizabeth Yszenga, Kurt Zimmerman, Anthony Hennes, Krystalynn Sabol

Members Absent: Benjamin Tanko

Staff Present: Andrew Bremer, Karen Knoll

1. CALL TO ORDER

Brassington called the meeting to order at 7:01 pm.

2. PUBLIC APPEARANCES

None

3. APPROVAL OF MINUTES

a. Motion to approve the minutes of the Community Development Authority draft minutes from the November 8, 2023, meeting.

Brassington moved to approve the November 8, 2023, Community Development Authority minutes. Hennes seconded the motion. Motion carried 6-0.

b. Motion to approve the minutes of the January 10, 2024, joint Plan Commission and Community Development Authority meeting.

Brassington moved to approve the January 10, 2024 joint Plan Commission and Community Development Authority meeting. Fessler seconded the motion. Motion carried 6-0.

4. BUSINESS.

a. Discussion and action to elect a Chairperson for the Community Development Authority.

Bremer reviewed the policy for electing a new Chairperson annually and opened the nomination for the chairperson.

Fessler nominated Stephanie Brassington, Zimmerman seconded the nomination. Motion carried 5-0.

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

Bremer reviewed the upcoming TIF district work the CDA will be doing in the upcoming months, along with summarizing past work done on the current TIF's. Bremer did a high-level review of what TIF financing is with members. Bremer shared a video with members What is Tax Increment Financing and How it Works, which can be found on the Community and Economic Development website page.

Jeff Whipple from Interstate Partners, who acquired 60 acres of land near the Hope Rod & Gun Club with the intent of developing a new business park in McFarland. Whipple gave an overview of Interstate Partners and the areas in which they have developments and an overview of those developments.

Bremer shared with members the preliminary map showing the proposed boundary for the proposed TID #7 district along with the general state statues which need to be followed with the information as provided in packets. Along with reviewing the processes, phases, how the TID #7 could potentially build out in the future.

Bremer also gave a brief overview of Whipple's preapplication which was presented at the Joint CDA/ Plan Commission meeting last November.

Per the information provided in packets Bremer reviewed the general five types of districts, how that type is selected, the timeframes for the specific types of districts, whether you can change the type of TID. Members also discussed how tax-exempt properties work in a TID. Bremer also reviewed the potential schedule and time frame for processing this, along with the state timeframe, the reason the CDA is involved is due to local preference and not a state requirement. Bremer went over how the Joint Review Board is involved in the process of creating and monitoring TID's.

Whipple indicated Interstate Partners will be doing a tour of Park 151 development in Sun Prairie starting at 2840 Innovation Way Suite 130 at 6:00 p.m. members of the Village Board, CDA and Plan Commission are all invited to attend along with any interested members of the public. The meeting is to tour the area only, no action will take place.

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

Bremer reviewed with members information as included in the packets of the proposed TID #6 which is an overlay of TID #3, along with going over the history of TID #3 and where its current standing. Bremer explained we are past the expenditure period and there are some properties which are currently underutilized in this TIF district. TIF's are an economic development tool and it is the most common tool used in Wisconsin, approximately 75% of the municipalities in the state have at least one active one. The map in packets for TID #6 was created by MSA in combination with the update to the Redevelopment District Plan #1. We are trying to remove the properties which no longer need to be in a TID district which is why this map is not as compact as others are. Bremer reviewed the type of TID district and boundaries being proposed for the creation of TID #6 along with discussing with members why some properties were or were not included, along with explaining how a TID overlay works.

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

   Bremer reviewed the proposed allocation of TID #3 to make it a donor to TIDs #5 and #6. TID #3 is already a donor to TID #4. Bremer explained that state statutes allow a TID to donate surplus funds to another TID if the recipient TID is a rehabilitation/conservation TID (TID #5) or a blighted TID (proposed TID #6).

e. Discussion and action to make a recommendation to the Village Board regarding purchasing bicycle racks for the Bashford Street public parking lot.

   Bremer explained the proposed project to add bicycle racks to the Bashford Street public parking lot including utilizing the Village's logo as part of the design. The proposed design in the packet was previously recommended for approval by the Parks and Recreation Committee using the standard teal color provided by the vendor. Motion by Fessler, seconded by Brassington, to recommend purchase of the bicycle racks as proposed. Motion carried 6-0.

5. SCHEDULE NEXT MEETING DATE

a. Wednesday June 12, 2024 at 7:00 p.m. – (Canceled due to observed holiday)

b. Tuesday June 18, 2024 at 5:00 p.m. – Regular meeting

c. Thursday June 20,2024 at 7:00 p.m. – Joint Plan Commission meeting

6. ADJOURNMENT

Fessler moved to adjourn. Zimmerman seconded the motion. Motion carried 6-0. Meeting adjourned at 8:31 p.m.

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 10, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding 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 WDOR PE-300 forms submitted for the year 2023 included in the packet. The JRB met on June 4, 2024 to accept the Annual Report. The CDA also reviews the report annually for informational purposes but no action is required.

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 $3,725,125 (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:
This item is presented for discussion only.

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

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

Section 4 – Expenditures		Amount
Capital expenditures		$157,796
Administration		$93,601
Professional services		$69,679
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**

Submission Information

Co-muni code	**13154**
TID number	**003**
Submission date	**06-25-2024 11:54 AM**
Confirmation	**TIDAR20230383O1717098632699**
Submission type	**ORIGINAL**

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 10, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding 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 WDOR PE-300 forms submitted for the year 2023 included in the packet. The JRB met on June 4, 2024 to accept the Annual Report. The CDA also reviews the report annually for informational purposes but no action is required.

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:
This agenda item is presented for discussion only.

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**

Submission Information

Co-muni code	**13154**
TID number	**004**
Submission date	**06-25-2024 11:56 AM**
Confirmation	**TIDAR20230383O1717179603260**
Submission type	**ORIGINAL**

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 10, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion regarding 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 WDOR PE-300 forms submitted for the year 2023 included in the packet. The JRB met on June 4, 2024 to accept the Annual Report. The CDA also reviews the report annually for informational purposes but no action is required.

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:
This agenda item is presented for discussion only.

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		$14,267
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		**$153,809**

Section 5 – Ending Balance	Amount
TID fund balance at end of year	**$-395,164**
Future costs	**$36,902,480**
Future revenue	**$43,271,496**
Surplus or deficit	**$5,973,852**

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**

Submission Information	
Co-muni code	**13154**
TID number	**005**
Submission date	**06-25-2024 11:58 AM**
Confirmation	**TIDAR20230383O1717179832130**
Submission type	**ORIGINAL**

VILLAGE OF McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 10, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board to approve the creation of Tax Increment District #6.**

PREVIOUS ACTION:
5.8.24 Community Development Authority preliminary review of proposed TID #6 boundary and district type.
6.4.24 Joint Review Board Organizational Meeting
6.18.24 Plan Commission public hearing

ISSUE SUMMARY:
Included in the packet is the draft Project Plan for new Tax Increment Finance District No. 6. 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. 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, rezoning of any properties, 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:
Motion, second, to recommend to the Village Board approval of the creation of Tax Increment District #6.

ATTACHMENTS:
1. TID #6 Project Plan Creation_Draft 07022024

PROJECT PLAN

Creation of Tax Incremental Finance District No. 6

Project No. 09361030

Drafted: July 2, 2024

District Type	Blight
Creation Date	XX/XX/2024
Expenditure Period	XX/XX/2046
Termination Date	XX/XX/2051
Remaining Territory Amendments	4

PROJECT PLAN

Creation of Tax Incremental Finance District No. 6

Village of McFarland, WI

Project No. 09361030

Prepared by:

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Table of Contents

List of Tables

List of Appendices **(Appendices B-I to be submitted with final Project Plan to DOR)**

Section 1. TIF Process and Planning Schedule

Wisconsin State Statute §66.1105 prescribes the process for creating and amending Tax Incremental Finance Districts for the Village of McFarland. The laws require public input in the TIF creation and amendment process, including a public hearing held by the Plan Commission at which TIF information is discussed and whereby citizens can reasonably voice their personal opinion on the creation or amendment of a TIF District. A three-phased approval process is required to create and amend TIF Districts including approval by the Plan Commission, Village Board, and the Joint Review Board. Locally, McFarland also includes review and recommendation of the draft Project Plan by their Community Development Authority. Table 1 presents the formal meeting/action calendar for the Village of McFarland Tax Incremental Finance District No. 6 process.

Table 1: Adoption Schedule

Date	Meeting/Action
May 8, 2024	Community Development Authority review of proposed TID and boundary map.
May 24, 2024	Village notifies taxing entities (school district, county, vocational college, and any special taxing districts) on proposed Creation of TID and upcoming meetings.
May 30, 2024	First Notice of Public Hearing is published in the local newspaper (Class 2). JRB notice published (Class 1).
June 4, 2024	JRB Organizational Meeting #1. Chairperson and member-at-large are selected at this meeting and a review of the proposed TID.
June 6, 2024	Second Notice of Public Hearing is published in local newspaper.
June 18, 2024	Plan Commission holds the Public Hearing for the Project Plan and Map. Interested parties are given a reasonable opportunity to express their views on the proposed boundary and project plan.
July 10, 2024	CDA recommendation to Village Board for approval of proposed TID Project Plan.
July 16, 2024	Plan Commission action on a resolution recommending consideration and approval of the proposed TID by the Village Board.
July 23, 2024	Village Board action on the proposed Creation of TID No. 6 boundary and project plan occurs. Approval by resolution contains findings that detail the TID's consistency with state statutes.
August 8, 2024	Upon approval of the Village Board, the Joint Review Board holds a second meeting to review the TID and act by resolution on the Creation of the TID. The Board submits its decision to the Village no more than 7 days after the vote.
Within 60 days of JRB action	Department of Revenue is notified of the Creation of TID No. 6 by the Village of McFarland and subsequent approval by the Joint Review Board.
October 31, 2024	Submit base packet documentation and Project Plan for Wisconsin Department of Revenue certification.

Section 2. Introduction and Purpose

The Village of McFarland has identified a need to expand its economic base through business, mixed-use, and residential development. To promote development, the Village is seeking to designate a geographical area lying within its corporate limits as Tax Incremental Finance District (TID) No. 6. The Creation of TID No. 6 will allow the Village to make certain public improvements and investments to the designated area so that growth, redevelopment, and blight elimination can occur. Anticipated growth, combined with the Village's commitment toward development, will ensure sufficient tax increment to retire all debt issued by the District for improvements. These improvements will allow the Village to attract and retain potential development, and encourage further private investment in local businesses. The development that is anticipated to occur will provide long-term tax benefits to both the Village and all other overlying taxing jurisdictions.

Summary of Findings

In creating TID No. 6, the Village of McFarland has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- Activities and improvements to the newly designated TID No. 6 are intended to encourage and attract business, mixed-use, and residential growth in the Village.
- The improvement to the newly designated area is likely to encourage, develop, and maintain a strong growth pattern in the Village, taking advantage of major transportation routes through the Village.
- The improvement to the area is likely to maximize private investment within the newly designated TID No. 6 and significantly enhance the value of substantially all other real estate in the District.
- The improvement to the area is likely to make currently underdeveloped areas of the Village more attractive by providing necessary and desired public improvements, which are compatible and feasible with existing systems.
- The improvement to the area is likely to encourage and promote conformity with the Village's land use policies and procedures.
- The development in the newly designated area would not take place in the absence of the improvements stated in the Project Plan.
- TID No. 6 is declared to be a "Blighted District" and at least 50% of the land in TID No. 6 has been classified as a blighted area, as defined in s.66.1105(2)(ae).
- The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the Village does not exceed 12% of the total value of equalized taxable property within the Village.
- The estimated percentage of the territory within the District that is devoted to retail business will not exceed 35% at the end of the District's expenditure period.
- Any vacant property within the TID is suitable for blight elimination.

Section 3. District Description

Tax Incremental District No. 6 is being created by the Village of McFarland as a "Blighted District" under the authority provided by Wisconsin Statute Section 66.1105. The Village of McFarland finds that at least 50%, by area, of real property within the District is suitable for blight elimination.

Boundary Description

The boundary for the newly designated TID No. 6 was established using the following criteria:

1. The equalized value of the taxable property of the District plus the aggregate value increment of all existing districts within the Village does not exceed 12% of the total value of equalized taxable property within the Village at the time of creation.
2. The District is contiguous and contains only whole parcels.
3. At least 50% of the land in TID No. 6 has been classified as a blighted area, as defined in s.66.1105(2)(ae).

A map identifying the boundaries for the newly designated TID No. 6 is provided in Appendix A and a legal description of the TID boundary is provided in Appendix B. Note, TID #6 is a partial overlay TID of the Village's existing TID #3. 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. A map showing the relationship between existing TID #3, and proposed TID #6 boundaries is included in Appendix A.

Tax Parcels

The following whole tax parcels will be included in the newly designated TID No. 6:

Table 2: List of Parcels Included in TID No. 6

Map ID	Parcel Number	Address	Acres	Land Value	Improvement Value	Total Value
1	71027386201		4.77	$110,200	$0	$110,200
2	71027385407	4004 TERMINAL DR	0.49	$151,300	$621,900	$773,200
3	71027385158	4008 TERMINAL DR	0.62	$166,800	$0	$166,800
4	71027386401	4012 TERMINAL DR	0.56	$172,900	$0	$172,900
5	71027386651		0.97	$299,500	$632,300	$931,800
6	71027385005	4015 TERMINAL DR	4.90	$380,000	$3,525,000	$3,905,000
7	71027380420	4001 TRIANGLE ST	1.93	$319,800	$2,160,200	$2,480,000
8	71027380751	4805 VOGES RD	1.47	$285,000	$1,583,400	$1,868,400
9	71027380501	4811 VOGES RD	0.98	$148,700	$1,039,200	$1,187,900
10	71027389207	4107 TERMINAL DR	4.00	$335,000	$1,509,600	$1,844,600
11	71027384300	4009 TRIANGLE ST	7.10	$471,000	$618,000	$1,089,000
12	71027389109		0.50	$25,100	$0	$25,100
13	71027389001	4117 TERMINAL DR	3.57	$313,500	$342,900	$656,400
14	71027388913	4121 TERMINAL DR	0.82	$181,000	$355,900	$536,900

Map ID	Parcel Number	Address	Acres	Land Value	Improvement Value	Total Value
15	71027383203	4103 TRIANGLE ST	8.10	$408,900	$1,137,000	$1,545,900
16	71027390008	4215 TERMINAL DR	1.54	$212,000	$266,200	$478,200
17	71027340321	4740 MCFARLAND CT	0.96	$184,900	$217,400	$402,300
18	71027341311	4791 MCFARLAND CT	1.21	$189,100	$869,200	$1,058,300
19	71027395003	4215 TRIANGLE ST	2.00	$240,100	$332,700	$572,800
20	71027399803	4219 TRIANGLE ST	3.00	$350,000	$1,487,100	$1,837,100
21	71027399961	4307 TRIANGLE ST	0.33	$90,300	$352,000	$442,300
22	71027399861	4311 TRIANGLE ST	0.37	$91,500	$352,100	$443,600
23	71027399761	4910 MEINDERS RD	0.59	$162,000	$631,300	$793,300
24	71027399705	4922 MEINDERS RD	0.59	$67,800	$0	$67,800
25	71027398859	4901 MEINDERS RD	0.91	$203,900	$816,400	$1,020,300
26	71027399054	4919 MEINDERS RD	0.26	$71,300	$102,600	$173,900
27	71027399152	4921 MEINDERS RD	0.26	$71,300	$145,800	$217,100
28	71027399250	4927 MEINDERS RD	0.46	$124,800	$176,500	$301,300
29	71027399205	4931 MEINDERS RD	0.20	$53,500	$169,900	$223,400
30	71027399551	4405 TRIANGLE ST	1.73	$0	$0	$0
31	71027399451	4405 TRIANGLE ST	0.28	$45,600	$0	$45,600
32	71027398902	4411 TRIANGLE ST	1.80	$0	$0	$0
33	71027398500		1.10	$0	$0	$0
34	71027398108	4501 TRIANGLE ST	1.34	$266,800	$1,540,100	$1,806,900
35	71034280015		0.20	$0	$0	$0
36	71034284502	4517 TRIANGLE ST	2.86	$257,100	$375,000	$632,100
37	71034209950	4603 TRIANGLE ST	1.74	$287,000	$1,121,900	$1,408,900
38	71034210055	4609 TRIANGLE ST	1.44	$272,000	$1,012,200	$1,284,200
39	71034210153		0.93	$0	$0	$0
40	71027391801	4402 TERMINAL DR	17.16	$506,600	$1,319,600	$1,826,200
41	71027393101	4412 TERMINAL DR	5.48	$274,000	$1,088,600	$1,362,600
42	71034285350	4508 TERMINAL DR	1.60	$0	$0	$0
43	71027393505	4405 TERMINAL DR	15.32	$488,200	$2,061,600	$2,549,800
44	71033184201		7.10	$0	$0	$0
45	71034286500	4606 TERMINAL DR	18.03	$515,300	$1,105,200	$1,620,500
46	71034289101		0.09	$0	$0	$0
47	71034283051		0.96	$68,900	$0	$68,900
48	71034282751		5.28	$379,300	$5,072,600	$5,451,900
49	71034282451		1.72	$123,400	$0	$123,400
50	71034282151		2.60	$186,700	$0	$186,700
51	71034244046	4516 SIGGELKOW RD	16.78	$502,800	$1,400,600	$1,903,400
52	71034242922	4712 TERMINAL DR	4.58	$345,800	$907,500	$1,253,300
53	71034243636	4814 TERMINAL DR	0.97	$123,400	$118,700	$242,100
54	71034270231	4715 TERMINAL DR	1.03	$62,600	$81,200	$143,800

Map ID	Parcel Number	Address	Acres	Land Value	Improvement Value	Total Value
55	71034270437	4719 TERMINAL DR	0.69	$107,500	$305,100	$412,600
56	71034270642	4805 TERMINAL DR	0.71	$108,600	$324,200	$432,800
57	71034242404	4800 TERMINAL DR	3.54	$150,600	$773,000	$923,600
58	71034242253	4810 TERMINAL DR	0.47	$67,500	$223,700	$291,200
59	71034270791	4809 TERMINAL DR	0.53	$98,100	$262,500	$360,600
60	71034242011	4818 TERMINAL DR	0.72	$108,900	$170,100	$279,000
61	71034271365	4706 IVYWOOD TRL	0.52	$97,900	$244,500	$342,400
62	71034271561	4714 IVYWOOD TRL	0.34	$87,400	$228,200	$315,600
63	71034271767	4718 IVYWOOD TRL	0.19	$66,900	$178,100	$245,000
64	71034272631	4808 IVYWOOD TRL	0.56	$134,500	$324,600	$459,100
65	71034272328	4800 IVYWOOD TRL	0.47	$23,500	$201,500	$225,000
66	71034273569	4901 TERMINAL DR	0.24	$0	$0	$0
67	71034273363	4705 IVYWOOD TRL	0.26	$83,200	$192,500	$275,700
68	71034273081	4707 IVYWOOD TRL	0.19	$68,000	$230,300	$298,300
69	71034273101	4711 IVYWOOD TRL	0.19	$68,000	$227,200	$295,200
70	71034272781	4719 IVYWOOD TRL	0.80	$51,600	$363,800	$415,400
70	71034272801	4721 IVYWOOD TRL	0.80	$51,600	$384,400	$436,000
71	71034273792	4903 TERMINAL DR	0.29	$84,700	$190,700	$275,400
72	71034274013	4700 SIGGELKOW RD	1.71	$167,800	$2,437,200	$2,605,000
73	71034275301		0.81	$114,100	$23,300	$137,400
74	71034274264	4690 SIGGELKOW RD	0.56	$134,500	$802,200	$936,700
75	71034274782	4706 SIGGELKOW RD	0.30	$85,200	$307,300	$392,500
76	71034274586	4710 SIGGELKOW RD	0.28	$84,000	$291,500	$375,500
77	71034275151	4907 WHITEHORSE PL	0.35	$88,100	$286,100	$374,200
78	71034275001	4911 WHITEHORSE PL	0.32	$86,200	$174,100	$260,300
79	71034274851	4913 WHITEHORSE PL	0.30	$85,400	$258,500	$343,900
80	71034320678	4705 SIGGELKOW RD	0.41	$127,600	$582,500	$710,100
81	71034320829	4709 SIGGELKOW RD	0.33	$124,300	$582,900	$707,200
82	71034320972	4711 SIGGELKOW RD	0.37	$126,100	$582,900	$709,000
83	71034320552	5007 TERMINAL DR	0.44	$93,300	$221,900	$315,200
84	71034320445	5011 TERMINAL DR	0.43	$92,500	$234,400	$326,900
85	71034320338	5015 TERMINAL DR	0.42	$91,800	$315,100	$406,900
86	71034320221	5019 TERMINAL DR	0.41	$91,400	$232,300	$323,700
87	71034320123	5021 TERMINAL DR	0.40	$90,700	$233,400	$324,100
88	71034382156	5109 TERMINAL DR	0.75	$128,300	$187,300	$315,600
89	71034321177	5016 TERMINAL DR	1.22	$127,700	$425,500	$553,200
90	71034388767	5106 TERMINAL DR	1.01	$125,000	$463,400	$588,400
91	71034388874	5108 TERMINAL DR	1.22	$127,800	$448,400	$576,200
92	71034339640	5110 ERLING AVE	0.08	$46,400	$0	$46,400
93	71034338981	5111 GLEN RD	0.08	$45,900	$195,400	$241,300

Map ID	Parcel Number	Address	Acres	Land Value	Improvement Value	Total Value
94	71034339097	5113 GLEN RD	0.08	$8,700	$0	$8,700
95	71034339533	5108 ERLING AVE	0.08	$44,200	$149,700	$193,900
96	71034339426		0.08	$42,500	$0	$42,500
97	71034332401		1.17	$151,000	$427,100	$578,100
98	71034332601	4521 FIELD AVE	0.23	$127,400	$258,100	$385,500
99	71034327635	5016 ERLING AVE	0.58	$135,100	$440,500	$575,600
100	71034327528	5016 ERLING AVE	0.20	$0	$0	$0
101	71034327411	5016 ERLING AVE	0.20	$0	$0	$0
102	71034326225		0.03	$500	$0	$500
103	71034326010	5012 ERLING AVE	0.16	$92,300	$0	$92,300
104	71034326127	4519 BECKLER ST	0.13	$70,800	$0	$70,800
105	71034322881	4519 SIGGELKOW RD	0.55	$99,500	$196,200	$295,700
106	71034334243	4512 BECKLER ST	0.21	$116,700	$118,400	$235,100
107	71034322321	4510 BECKLER ST	0.14	$21,400	$250,300	$271,700
108	71034334038		0.11	$15,900	$0	$15,900
109	71034333815	4504 BECKLER ST	0.07	$40,200	$316,200	$356,400
110	71034322211	5009 CARD AVE	0.20	$120,100	$281,300	$401,400
111	71034334350	5007 CARD AVE	0.05	$30,600	$12,700	$43,300
112	71034334458		0.03	$15,800	$0	$15,800
113	71034334565	5005 CARD AVE	0.07	$41,300	$276,700	$318,000
114	71034334672		0.05	$26,000	$0	$26,000
115	71034333593	5002 CARD AVE	0.21	$528,000	$105,400	$633,400
116	71033164054	4412 SIGGELKOW RD	0.55	$245,800	$491,200	$737,000
117	71033164250	4914 MCDANIEL LN	0.45	$630,000	$221,100	$851,100
118	71033164456	4912 MCDANIEL LN	0.53	$650,000	$283,600	$933,600

Equalized Value Test

Per Wisconsin State Statute 66.1105(4)(gm)4.c., municipalities are restrained in their use of Tax Increment Financing such that the equalized value of taxable property of the (new/amended) district area plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the municipality. The total assessed value of taxable property in TID No. 6, as of January 1, 2024, is $85,777,800. The Village has three other active TID, TID No. 3, No. 4, and No. 5, with a value increment, as of January 1, 2024, of $105,406,200. The total municipal equalized value, as of January 1, 2024, for the Village is $1,617,865,600. Much of the New TID No. 6 will overlap portions of TID No. 3. The total overlap value is $63,977,400. Per State Statute 66.1105, the value of overlap parcels is not included within the equalized value test as it is already accounted for in the TID #3 existing value increment. Table 3 indicates that creation of TID No. 6 may bring the Village’s TID to total municipal value ratio to approximately 7.86% within the 12% limit.

Table 3: Equalized Value Test

Maximum Allowable TID Property Value	
Equalized Value (as of January 1, 2024)	$1,617,865,600
Maximum Allowable TID Property Value (12%)	$194,143,872

12% Test - Compliance	
Existing TIF Value Increment	$105,406,200
New Value Added by TID No. 6	$72,171,000
Overlapped Value (Subtracted)	$50,756,100
Total Net New Value	**$21,414,900**
Total Net New Value + Existing TIF Value Increment	$126,821,100
Percentage of Equalized Value	**7.84%**

At the same time the Village is proposing to create TID No. 6, the Village is also proposing to create a new TID No. 7 district. The total net new value for TID No. 7 is $2,163,300. Therefore, with approval of TID No. 7 and No. 6, the percentage of equalized value will be 8%.

Section 4. Statement of Kind, Number, and Location of Public Works & Other Projects

The Village of McFarland intends to implement a number of public works projects that will positively impact business, residential, and conservancy use in TID No. 6. These projects will be undertaken within the first 22 years of the TID's existence (i.e. through 2046), subject to change based upon the relative needs of the Village and the ability of the District to recoup expenses through the generation of tax increment. A brief description of each TID eligible project type is provided below.

A. Infrastructure for (Re)Development of the District

Proposed infrastructure improvements to public or private property may include:

1. Street (re)construction, relocation, removal, upgrading, or maintenance to facilitate development within TID No. 6. Street infrastructure includes bridges, sidewalks, curb & gutter, bike lanes, parking lanes, street lights, traffic signals, signage, markings and other appurtenances and amenities for the safety and comfort of motor vehicle, bicycle and pedestrian traffic, including Rectangular Rapid Flash Beacons or other similar devices. Alleyways are considered streets within the definition of this Project Plan.
2. Pedestrian and bicycle path construction, including trail lighting, signage, and supporting amenities such as bicycle racks or repair stations.
3. Construct, upgrade and/or relocate sanitary sewer system components and related appurtenances.
4. Construct, upgrade and/or relocate storm water drainage facilities, basins, and related appurtenances.
5. Construct, upgrade and/or relocate water system components and related appurtenances.

6. Install or improve primary and secondary electric service including installing above or below ground electric distribution lines and related appurtenances, including electric vehicle charging stations.
7. Install or improve natural gas service.
8. Install or improve telecommunication, fiber optic, and/or cable television service including installing above or below ground distribution lines and related appurtenances.

B. Streetscaping Improvements

Streetscaping improvements designed to improve the aesthetics of the District including installation of gateway, wayfinding and street signage, public art installations, landscaping, lighting, information kiosks, other streetscaping furnishings (e.g. benches, trash receptacles, banners, flower pots, etc.).

C. Site Improvements

Site improvement activities required to make sites suitable for (re)development including, but not limited to: access drives, parking areas/facilities, parks and recreation facilities, landscaping, signage, entryway features, walkways, lighting, fencing, remodeling or rehabilitating existing buildings, razing buildings, stripping topsoil, grading, compacted granular fill, topsoil replacement, soil stabilization, streambank stabilization, relocating power lines, utilities, and related activities.

D. Environmental Studies and Remediation

This may include costs associated with environmental studies; wetland delineations; floodplain delineations; floodplain hydraulic and hydrologic analysis; removal of lands from floodplains or wetland areas in accordance with local, state, and federal regulations as part of TID public works and rehabilitation projects; environmental remediation including the removal of above or below ground contamination or hazardous materials.

E. Real Estate Inspection, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects

This may include but is not limited to purchase of fee title; easements; inspections; appraisals; consultant fees; closing costs; real estate commissions and fees in lieu of commissions; surveying and mapping; lease and/or sale of property at or below market or purchase price to encourage or make feasible a public infrastructure or (re)development project. Relocation costs in the event any property is acquired for the above projects, including the cost of a relocation plan, staff, publications, appraisals, land and property acquisition costs and relocation benefits as required by Wisconsin Statutes 32.19 and 32.195 are eligible costs.

F. Development Funds/Incentives

Payments made at the Village Board's discretion to assist private developers in projects that carry out the goals of this Project Plan, the Village's Comprehensive Plan, or other adopted Village plans including those future sub-area plans for the District. Such payments could include grants, zero-interest loans, or low interest loans for the purposes of land acquisition, environmental remediation, building and site improvements to non-residential or residential properties. Establishment of a Revolving Loan Fund (e.g. low interest loan or temporary grant for building façade or signage improvement program) is considered Development Incentives and is eligible project costs. <u>No cash grants or loans will be provided until a developer agreement has been signed between the developer and the Village</u>.

G. Contributions to the Community Development Authority

The Village may provide funds to the Community Development Authority (CDA) to be used for administration, planning and operations related to the purposes for which it was established to implement the goals or projects outlined in this Project Plan. The Village of McFarland has a CDA whose purpose is to assist with community development projects including those which may be undertaken within the District.

H. Planning, Promotion & Economic Development

Promotion and development of TID No. 6 including professional services for planning; marketing; recruitment; grant writing and grant administration for TID projects; marketing services and materials; advertising costs; administrative costs and support of development organizations are all eligible costs under this section. Costs related to establishing, or revising, developer incentive policy manuals, developer incentive applications, façade or signage improvement programs are eligible project expenses.

I. Administrative/Organizational Costs

Imputed administrative costs including, but not limited to, a portion of the salaries, benefits and training expenses of the 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 No. 6, and others directly involved with the projects over the life of the District.

J. Financing Costs

Interest, professional and finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing TID No. 6 projects. Eligible expenses include interest on advances to the TID from the Village's General, Utility or Stormwater Funds to cover any annual cash flow deficits. Interest rates shall not exceed a rate of 3%.

K. Projects Outside the TID

The Village expects that there may be several projects that encompass an area outside of the boundaries of the TID. Pursuant to Wisconsin Statutes Section 66.1105(2(f)(1)(n), the Village may undertake projects within territory located within one-half (1/2) mile of the boundary of the TID, and pay for them using tax increment, provided that:

1) The project area is located within the Village's corporate boundaries; and
2) The projects are an eligible TIF expenditure within this Project Plan as approved by the Joint Review Board; and
3) The expenditure must be made within the expenditure period.

The one-half mile boundary of TID No. 6 is illustrated on the Project Locations Map in Appendix A.

The projects listed in this section will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID No. 6. These projects may be implemented by the

Village Board in varying degrees in response to development needs and will be guided by the TID No. 6 Project Plan, the Village's Comprehensive Plan, Redevelopment District No. 1 plan, and other existing plans and policies of the Village, and public input.

A map identifying project locations in TID No. 6 is provided in Appendix A. As stated in the legend of the map, Projects A-J may occur anywhere within the boundaries of the District, as authorized by the Village Board. Locations of new streets, utilities or recreational trail alignments shown on the map are preliminary and subject to change based on final design. Other infrastructure projects unknown at this time, but consistent with the purpose of the TID, and categories A-K, may be eligible project costs. Such eligibility will be determined by the Village Board at the time the projects are being considered. The projects listed above will provide necessary facilities and support to enable and encourage the development of the TID. These projects may be implemented in varying degrees in response to development needs. In addition to the above projects, the Village of McFarland may request multiple base value redeterminations during the life of TID No. 6, if necessary and allowed by the WI State Statutes. The Village may also request affordable housing extensions as allowed by WI State Statutes.

Section 5. TID No. 6 Project Cost Summary

Table 4 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

Table 4: Proposed TID Project Costs

Project Expenditure	Project Cost
A. Infrastructure for (Re)Development of the District	**$9,017,000**
2025: Larson Street Reconstruction from Erling Ave to Terminal Drive*	$300,000
2025: McFarland Court Pavement Rehabilitation*	$100,000
2027: Terminal Drive Reconstruction from Lift Station #4 to USH 51*	$4,000,000
2027: Stormwater Pond Improvements in Various Locations	$150,000
2028: Beckler Street Improvements from Card Ave to Erling Ave	$32,000
2028: Field Avenue Street & Utility Improvements from Erling Ave to Card Ave	$300,000
2028: Triangle Drive Including an Off-Street Path from Voges Road to Siggelkow Road	$1,700,000
2030: Erling Street On-Street Parking Improvements from Siggelkow Rd to Larson St	$250,000
2030: McDaniel Park Parking Lot Improvements*	$485,000
2030: Parking Lot Addition at 4519 Siggelkow	$250,000
2034: Terminal Drive Reconstruction from Siggelkow Road to Railroad Bridge*	$1,000,000

2034: Brandt Park Outfield Parking Lot Addition*	$200,000
2040: Lift Station Upgrades	$250,000
B. Streetscaping Improvements	**$400,000**
2025: USH 51 & Siggelkow Road Roundabout Landscaping*	$150,000
2028: USH 51 Landscaping, Gateway & Wayfinding Signage*	$250,000
C. Site Improvements	**$250,000**
D. Environmental Studies and Remediation	**$250,000**
E. Real Estate Inspection, Acquisition, Vacating, and Relocation	**$9,700,000**
F. Development Funds/Incentives	**$7,925,000**
G. Contributions to the Community Development Authority (Year TBD)	**$0**
H. Planning, Promotion & Economic Development	**$75,000**
I. Administrative/Organizational Costs	**$2,625,000**
J. Financing Costs	**$10,315,559**
Grand Total	**$40,557,559**

*Includes eligible projects outside or partial within the TID boundary but within ½ mile of the TID boundary.

All costs are stated in 2024 prices and are preliminary estimates. The Village reserves the right to increase the costs to reflect inflationary increases and other unforeseen or uncontrollable circumstances between 2024 and the time of construction/implementation, such as higher than anticipated financing costs. The Village reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating funds from one project category to another.

Wisconsin Statutes do not obligate the Village to complete all of the proposed projects listed in the Project Plan; however, the expenditure period for TID No. 6 is limited to July 23, 2024 through July 23, 2046. The Village retains the right to change the scope and/or timing of projects implemented as they are individually authorized by the Village Board, without further amending this Project Plan. Public debt and expenditures should be made at the pace private development occurs to assure increment is sufficient to cover expenses. The needs of the Village and the performance of the TID will be reviewed annually to determine if change is required to any of the proposed activities. Should the needs of the Village change, projects may have to be slightly or substantially altered or even eliminated.

Section 6. Ineligible / Estimated Non-Project Costs

The following bullets identify public works projects that are not eligible to be paid with tax increments 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 the administrative buildings, police and fire buildings, libraries and community and recreational 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.

No ineligible project costs were identified at the time this Project Plan was considered for adoption. Any portion of future projects funded by grants will be a non-project cost.

Non-project costs are public works projects that only partly benefit the TID or are not eligible to be paid with tax increments. Examples of non-project costs include projects undertaken within the TID as part of the implementation of this Project Plan, the costs of which are paid fully or in part by impact fees, grants, or special assessments. Other examples include public works projects that only partly benefit the TID, such as a new water tower which serves properties both inside and outside of the TID, and its ½ - mile boundary. That portion of the total project costs allocable to properties outside of the TID, and its ½ - mile boundary, would be a non-project cost.

Section 7. Economic Feasibility

The projected income of TID No. 6, presented in Table 6, hinges upon the tax incremental revenue generated from within the district. The future tax incremental revenue of a TID is influenced by three crucial components: new development leading to increases in property value, inflation-driven appreciation in property values, and alterations in the full value tax rate. To forecast the future increment and income generated by TID No. 6, certain assumptions have been made for each of these critical components.

New Development Activities

The TID is projected to realize $75,985,000 in new development value over its anticipated 27-year life. For comparison purposes, TID #3 has generated approximately $80M in new development value since it was created in 2004. Table 5 provides a summary of potential development opportunities within TID #6. This new value is projected to come from the development of vacant parcels, rehabilitation of existing structures and redevelopment of underutilized parcels within the District. The determination of parcels identified for new development is based, in part, on discussions with Village staff regarding potential development opportunities, and an analysis of the condition and assessment utilization of parcels within the District as part of the Village's Redevelopment District No 1 Plan.

It is anticipated that some of the parcels listed in Table 5 may not experience any redevelopment during the TID lifetime, while others not listed may. Redevelopment years are also an approximation based, in part, on the anticipated schedule of known redevelopment projects, land listed for sale, public and private improvement projects, and the readiness for development or marketability of each parcel. Estimated Construction Years may vary significantly from those shown in Table 5.

The methodology used to calculate the Estimated Growth in Value of New Development for any one development site is based in-part on using assessment values from these and other comparable existing development sites found in the Village, or surrounding communities in Dane County. The creation of TID #6 and the identification of proposed types of new development (e.g. commercial, multi-family, mixed-use) within this Project Plan does not compel, or in any way obligate, the

Village to approve future redevelopment requests for these particular parcel areas. However, those types of new development assumed in Table 4 are based on the Village's Comprehensive Plan and Redevelopment District No. 1 Plan. The Village may consider other uses than those envisioned within this Project Plan for any particular parcel without amending this Project Plan. The Village's Comprehensive Plan, subarea plans like Redevelopment District No 1, and Village's Zoning Ordinance will guide decisions regarding appropriate use of properties within the District. It is anticipated that when specific development proposals/applications/projects are submitted to the Village a change in the Village's Official Zoning Map and/or Comprehensive Plan may be necessary to facilitate the development envisioned in this Project Plan (e.g. rezoning to Planned Unit Development District).

Table 5: New Development Activities

Development Location	Construction Year	Area (Acres)	Estimated Growth
4800 Ivywood Trail: Commercial Renovation	2024	0.47	$35,000
4015 Terminal Drive: Convenience Store/Gas Station	2025	4.90	$500,000
4703 Terminal Drive, Lot 1: Commercial Building	2025	2.60	$1,500,000
Terminal Drive/Ivywood Trail (Multiple Parcels): Multifamily Redevelopment	2026	0.79	$2,500,000
4012 Terminal Drive: Light Industrial/Commercial (25,000 SF)	2026	4.77	$4,300,000
4008 Terminal Drive: 1.5-Story Commercial (9,000 SF)	2027	0.62	$1,600,000
4818 Terminal Drive: 27-Unit Apartment Building	2027	0.72	$4,000,000
4012 Terminal Drive: 1.5-Story Commercial (9,000 SF)	2027	0.97	$3,250,000
5100 Erling Avenue: Mixed-Use Building	2028	1.17	$6,500,000
4703 Terminal Drive, Lot 2: Mixed-Use Building	2029	1.72	$6,000,000
4215 Terminal Drive: Light Industrial/Commercial (9,200 SF)	2029	1.54	$1,600,000
4703 Terminal Drive, Lot 3: Multifamily Housing	2030	5.28	$4,000,000
4901 Meinders Road: Light Industrial/Commercial (10,000 SF)	2031	0.91	$1,700,000
Whitehorse Place (Multiple Parcels): 4-Story Mixed Use (8,000 SF 48-Units)	2032	1.78	$9,500,000
Meinders Road (Multiple Parcels): Multifamily Housing	2033	1.18	$4,000,000
McDaniel Lane (Multiple Parcels): Mixed-Use Building	2034	1.53	$25,000,000
Grand Total		**30.93**	**$75,985,000**

Inflation Rate

This projection adopts a conservative stance, suggesting that inflation is expected to average 1.5% per year for the entirety of the District's existence. It's worth noting that historically, the average inflation rate from 2003 to 2023 has hovered around 2.56%, providing context for this conservative estimate. Similarly, the Consumer Price Index-Midwest has averaged an annual increase of 2.3% from 2003 to 2023. In addition, the Turner Construction Cost Index, a measure of construction materials and labor prices across the industry in the United States, has averaged 5.4% increase per year from 2003 to 2023.

Full Value Tax Rate

The Full Value Tax Rate, estimated at $20.00 per thousand, is anticipated to endure without fluctuations over the entirety of the District's 27-year existence, persisting steadily until the year 2051. For context, from 2003 to 2023 the actual Full Value Tax Rate in McFarland has ranged from a low of $16.26 per thousand to a high of $24.18 per thousand. The mid-point of this 20-year span is $20.22 per thousand.

Table 6: TID No. 6 Projected Income

Year	Beginning Year Value Increment	Estimated Growth in Value	Cumulative Value	Inflation Increment	End of Year Value	Tax Increment Value	Tax Value Year	Tax Rate Per $1,000	Tax Increment	Payment Year
2024	$72,171,000	$35,000	$72,206,000	$0	$72,206,000	$35,000	2025	$20.00	$700	2026
2025	$72,206,000	$2,000,000	$74,206,000	$1,113,090	$75,319,090	$3,148,090	2026	$20.00	$62,962	2027
2026	$75,319,090	$6,800,000	$82,119,090	$1,231,786	$83,350,876	$11,179,876	2027	$20.00	$223,598	2028
2027	$83,350,876	$8,850,000	$92,200,876	$1,383,013	$93,583,889	$21,412,889	2028	$20.00	$428,258	2029
2028	$93,583,889	$6,500,000	$100,083,889	$1,501,258	$101,585,148	$29,414,148	2029	$20.00	$588,283	2030
2029	$101,585,148	$7,600,000	$109,185,148	$1,637,777	$110,822,925	$38,651,925	2030	$20.00	$773,039	2031
2030	$110,822,925	$4,000,000	$114,822,925	$1,722,344	$116,545,269	$44,374,269	2031	$20.00	$887,485	2032
2031	$116,545,269	$1,700,000	$118,245,269	$1,773,679	$120,018,948	$47,847,948	2032	$20.00	$956,959	2033
2032	$120,018,948	$9,500,000	$129,518,948	$1,942,784	$131,461,732	$59,290,732	2033	$20.00	$1,185,815	2034
2033	$131,461,732	$4,000,000	$135,461,732	$2,031,926	$137,493,658	$65,322,658	2034	$20.00	$1,306,453	2035
2034	$137,493,658	$25,000,000	$162,493,658	$2,437,405	$164,931,063	$92,760,063	2035	$20.00	$1,855,201	2036
2035	$164,931,063	$0	$164,931,063	$2,473,966	$167,405,029	$95,234,029	2036	$20.00	$1,904,681	2037
2036	$167,405,029	$0	$167,405,029	$2,511,075	$169,916,104	$97,745,104	2037	$20.00	$1,954,902	2038
2037	$169,916,104	$0	$169,916,104	$2,548,742	$172,464,846	$100,293,846	2038	$20.00	$2,005,877	2039
2038	$172,464,846	$0	$172,464,846	$2,586,973	$175,051,819	$102,880,819	2039	$20.00	$2,057,616	2040
2039	$175,051,819	$0	$175,051,819	$2,625,777	$177,677,596	$105,506,596	2040	$20.00	$2,110,132	2041
2040	$177,677,596	$0	$177,677,596	$2,665,164	$180,342,760	$108,171,760	2041	$20.00	$2,163,435	2042
2041	$180,342,760	$0	$180,342,760	$2,705,141	$183,047,901	$110,876,901	2042	$20.00	$2,217,538	2043
2042	$183,047,901	$0	$183,047,901	$2,745,719	$185,793,620	$113,622,620	2043	$20.00	$2,272,452	2044
2043	$185,793,620	$0	$185,793,620	$2,786,904	$188,580,524	$116,409,524	2044	$20.00	$2,328,190	2045
2044	$188,580,524	$0	$188,580,524	$2,828,708	$191,409,232	$119,238,232	2045	$20.00	$2,384,765	2046
2045	$191,409,232	$0	$191,409,232	$2,871,138	$194,280,370	$122,109,370	2046	$20.00	$2,442,187	2047
2046	$194,280,370	$0	$194,280,370	$2,914,206	$197,194,576	$125,023,576	2047	$20.00	$2,500,472	2048
2047	$197,194,576	$0	$197,194,576	$2,957,919	$200,152,495	$127,981,495	2048	$20.00	$2,559,630	2049
2048	$200,152,495	$0	$200,152,495	$3,002,287	$203,154,782	$130,983,782	2049	$20.00	$2,619,676	2050
2049	$203,154,782	$0	$203,154,782	$3,047,322	$206,202,104	$134,031,104	2050	$20.00	$2,680,622	2051
2050	$206,202,104	$0	$206,202,104	$3,093,032	$209,295,135	$137,124,135	2051	$20.00	$2,742,483	2052
2051	$209,295,135	$0	$209,295,135	$3,139,427	$212,434,562	$140,263,562	2052	$20.00	X	2053
		$75,985,000		**$64,278,562**					**$45,213,410**	

Assumptions

Initial Base Value	$72,171,000
Annual Rate of Inflation	1.50%
Tax Rate (Avg./Year)	$20.00
New Development	$75,985,000

Projected Annual Performance

Table 7 presents the projected annual performance of TID No. 6 based on the following assumptions:

- Tax Increment Generated: $45,213,410 - This represents the total expected increase in tax revenue within the TIF district over a specified period.
- Total Principal for Public Works Projects: $19,617,000 - This indicates the overall amount of funds allocated for infrastructure and community development projects (Table 4, Projects A-E, and G) within the district.
- Interest Rate: 5.00% - This is the interest rate applied to the principal amount, often determined by the Wisconsin Board of Commissioners of Public Lands (BCPL) or similar authority.
- Total Interest Payments: $10,315,559 - This reflects the cumulative interest payments expected to be made over the life of the financing, based on the principal amount and interest rate.
- Total Development Incentives: $7,925,000 - This denotes the total funds earmarked for incentives designed to attract investment and stimulate development activities within the TIF district, not including potential sale of Village acquired property at less than market values.
- Total Administrative Costs: $2,700,000 - This represents the overall expenses associated with managing and overseeing the operations of the TIF district, including administrative staff salaries, legal fees, and other operational expenses.

Table 7: TID No. 6 Projected Annual Performance

Year	Tax Increment	Project Bonds	Annual Principal	Annual Interest	Development Incentives	Administration, Planning & Promotion	Total Expenditures	Annual Balance	Total Balance
2024	$0	$250,000	$12,500	$7,561	$0	$50,000	$70,061	($70,061)	($70,061)
2025	$0	$850,000	$62,500	$33,156	$11,250	$50,000	$157,657	($156,906)	($226,967)
2026	$700	$4,000,000	$262,500	$154,126	$11,250	$50,000	$478,627	($477,176)	($704,143)
2027	$62,962	$4,150,000	$470,000	$279,633	$41,250	$50,000	$841,634	($777,921)	($1,482,065)
2028	$223,598	$2,782,000	$750,767	$348,647	$41,250	$110,000	$1,251,414	($1,027,066)	($2,509,131)
2029	$428,258	$0	$750,767	$348,647	$86,250	$110,000	$1,296,414	($867,406)	($3,376,536)
2030	$588,283	$3,635,000	$857,062	$458,208	$116,250	$110,000	$1,542,271	($953,237)	($4,329,774)
2031	$773,039	$0	$857,062	$458,208	$116,250	$110,000	$1,542,271	($768,482)	($5,098,256)
2032	$887,485	$2,500,000	$1,107,062	$531,970	$116,250	$110,000	$1,866,033	($977,796)	($6,076,052)
2033	$956,959	$0	$1,107,062	$531,970	$156,250	$110,000	$1,906,033	($948,323)	($7,024,375)
2034	$1,185,815	$1,200,000	$1,135,984	$567,820	$656,250	$115,000	$2,475,805	($1,289,240)	($8,313,615)
2035	$1,306,453	$0	$1,120,984	$563,395	$656,250	$115,000	$2,456,379	($1,149,175)	($9,462,790)
2036	$1,855,201	$0	$1,120,984	$563,395	$656,250	$115,000	$2,456,379	($600,427)	($10,063,217)
2037	$1,904,681	$0	$1,120,984	$563,395	$656,250	$115,000	$2,456,379	($550,948)	($10,614,165)
2038	$1,954,902	$0	$1,120,984	$563,395	$656,250	$115,000	$2,456,379	($500,726)	($11,114,892)
2039	$2,005,877	$0	$1,120,984	$563,395	$656,250	$115,000	$2,456,379	($449,752)	($11,564,643)
2040	$2,057,616	$250,000	$1,028,711	$536,834	$656,250	$115,000	$2,337,546	($279,179)	($11,843,822)
2041	$2,110,132	$0	$1,028,711	$536,834	$656,250	$115,000	$2,337,546	($226,664)	($12,070,486)
2042	$2,163,435	$0	$778,711	$463,073	$656,250	$115,000	$2,013,785	$150,401	($11,920,085)
2043	$2,217,538	$0	$778,711	$463,073	$656,250	$115,000	$2,013,785	$204,504	($11,715,581)
2044	$2,272,452	$0	$766,211	$455,512	$156,250	$115,000	$1,468,901	$779,479	($10,936,101)
2045	$2,328,190	$0	$731,211	$434,343	$145,000	$115,000	$1,425,554	$902,637	($10,033,465)
2046	$2,384,765	$0	$531,211	$313,372	$145,000	$115,000	$1,104,583	$1,280,181	($8,753,283)
2047	$2,442,187	$0	$323,711	$187,866	$115,000	$69,000	$695,576	$1,746,611	($7,006,672)
2048	$2,500,472	$0	$209,611	$118,852	$75,000	$69,000	$472,463	$2,028,009	($4,978,664)
2049	$2,559,630	$0	$209,611	$118,852	$30,000	$69,000	$427,463	$2,132,167	($2,846,497)
2050	$2,619,676	$0	$172,861	$96,624	$0	$69,000	$338,485	$2,281,191	($565,305)
2051	$2,680,622	$0	$79,545	$53,403	$0	$69,000	$201,948	$2,478,674	$1,913,368
2052	$2,742,483	$0	$0	$0	$0	$0	$0	$2,742,483	$4,655,851
	$45,213,410	**$19,617,000**	**$19,617,000**	**$10,305,750**	**$7,925,000**	**$2,700,000**	**$40,557,559**	**$4,655,851**	

Last Year to Incur Project Costs: 2046

Impact on Overlying Taxing Jurisdictions

Table 8 shows the division of the estimated share of the projected tax increments to be paid by the owners of taxable property in each of the taxing jurisdictions overlying TID No. 6.

Table 8: Impact on Overlying Taxing Jurisdictions

	Percentage of Mill Rate by Jurisdiction	Annual Taxes Collected on Base Value	Annual Taxes Collected After TID Closure	Increase in Annual Tax Collections After TID	Proportionate Share of Taxes Collected Over Life of District
County	17.69%	$255,355	$751,634	$496,279	$7,998,682
Village	37.45%	$540,549	$1,591,100	$1,050,551	$16,932,054
School	40.61%	$586,177	$1,725,406	$1,139,229	$18,361,297
Tech	4.25%	$61,339	$180,551	$119,212	$1,921,376
State	0.00%	$0	$0	$0	$0
Total	**100.00%**	**$1,443,420**	**$4,248,691**	**$2,805,271**	**$45,213,410**

Section 8. Financing

Under Wisconsin law there are several methods of borrowing, some of which apply against a municipality's debt limit, and others that do not apply against the limit. The state sets this limit at five percent (5%) of the municipality's total equalized property valuation. The feasibility of financing specific projects at any given time using a particular method can be determined based on the municipality's current fiscal situation, anticipated non-TID related capital needs, the amount of money to be borrowed, interest rates, and lending terms.

Possible funding sources include:

A. General Obligation Borrowing

General Obligation Borrowing includes all types of municipal borrowing from banks, the State Trust Fund, or other lending institutions. This method of borrowing requires little effort or legal expenditures and works particularly well for smaller projects.

B. General Obligation Bonding

General Obligation Bonds are a debt instrument backed by the full faith and credit of the municipality and its ability to raise revenue through taxation. In the case of default, the municipality is liable for repayment of the debt. As a result, this type of debt can often result in lower interest rates than regular General Obligation Borrowing. The high fees associated with the issuance of the bonds makes them more attractive for larger projects.

C. Mortgage Revenue Bonds

Revenue Bonds are a debt instrument backed by revenue generated from the project. These types of bonds are also mainly used for larger debt issuances due to their relatively high associated fees. They are typically issued by municipal bodies that raise revenues on a fee for service type basis, such as the Water & Sewer Utility. These types of bonds generally do not count against a municipality's five percent debt limit.

D. Special Assessment “B” Bonds

Special Assessment “B” Bonds are a debt instrument backed by the municipality’s ability to raise revenue from special assessments charged to persons, organizations, or businesses receiving benefits from the project. These bonds also do not normally count against a municipality’s debt limit.

E. Federal/State Loan and Grant Programs

The State and Federal Government often sponsor grant and loan programs that municipalities may potentially use to supplement TID expenditures or provide financing for capital costs which positively impact the District. These programs include Wisconsin Community Development Block Grants, Rural Development Administration Community Facility Loan/Grants, Transportation Economic Assistance Grants, and Economic Development Administration Grants. These programs require local match funding to insure State and Federal participation in the project.

Section 9. Proposed Zoning Changes

The Village of McFarland is zoned in accordance with an ordinance formally adopted by the Village Board. Based on the current zoning classifications within TID No. 6, no zoning changes are necessary to create TID No. 6.

Section 10. Proposed Changes in the Community Development Plan, Map, Building Codes & Ordinance

The creation of TID No. 6 will not require any changes to the existing community development plans or the Village’s municipal codes or ordinances. The projects proposed in the Project Plan are consistent with the development policies of the municipality, as well as existing building codes, maps, and ordinances.

Section 11. Relocation

No persons are expected to be displaced or relocated as a result of proposed projects in the TID; however, if relocation were to become necessary in the future, the following is the method proposed by the Village or Community Development Authority 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 Statues 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). The Village will file a relocation plan with the DOA and shall keep records as required in Wisconsin Statutes 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 required by law.

Section 12. Statement Indicating How creating the TID Promotes Orderly Development of Municipality

TID No. 6 will promote orderly development in the Village of McFarland by marketing and attracting economic activity to a specified area. This allows the Village greater control over economic activity in order to ensure that development and/or growth is orderly, harmonious with adjoining land uses, and enhances the health and welfare of the community.

Section 13. Legal Opinion

An opinion from the Village legal counsel regarding the Project Plan for TID No. 6 and its compliance with s. 66.1105 of Wisconsin Statutes is provided in Appendix I.

Section 14. Glossary of TIF Related Terms

Base Value: The aggregate value, as equalized by DOR, of the real, personal, and non-exempt municipal-owned property located within the TID as of the valuation date.

Equalized Value: The estimate of the State of Wisconsin Department of Revenue of the full market value of property; used to apportion property tax levies of counties, school districts and municipalities among tax districts.

Expenditure Period: The time during which expenses may be incurred for the implementation of the approved project plan and the completion of the projects outlined therein. The current maximum expenditure period for all districts ends five years before the un-extended maximum life of the TID.

Non-Project Costs: As part of the project plan, there may be investments that are not eligible for TIF, or that are paid for with revenue other than tax increment revenue – such as a grant.

Project Plan: The plan, properly submitted and approved by the Wisconsin Department of Revenue, for the financial development or redevelopment of a TID, including all properly approved amendments.

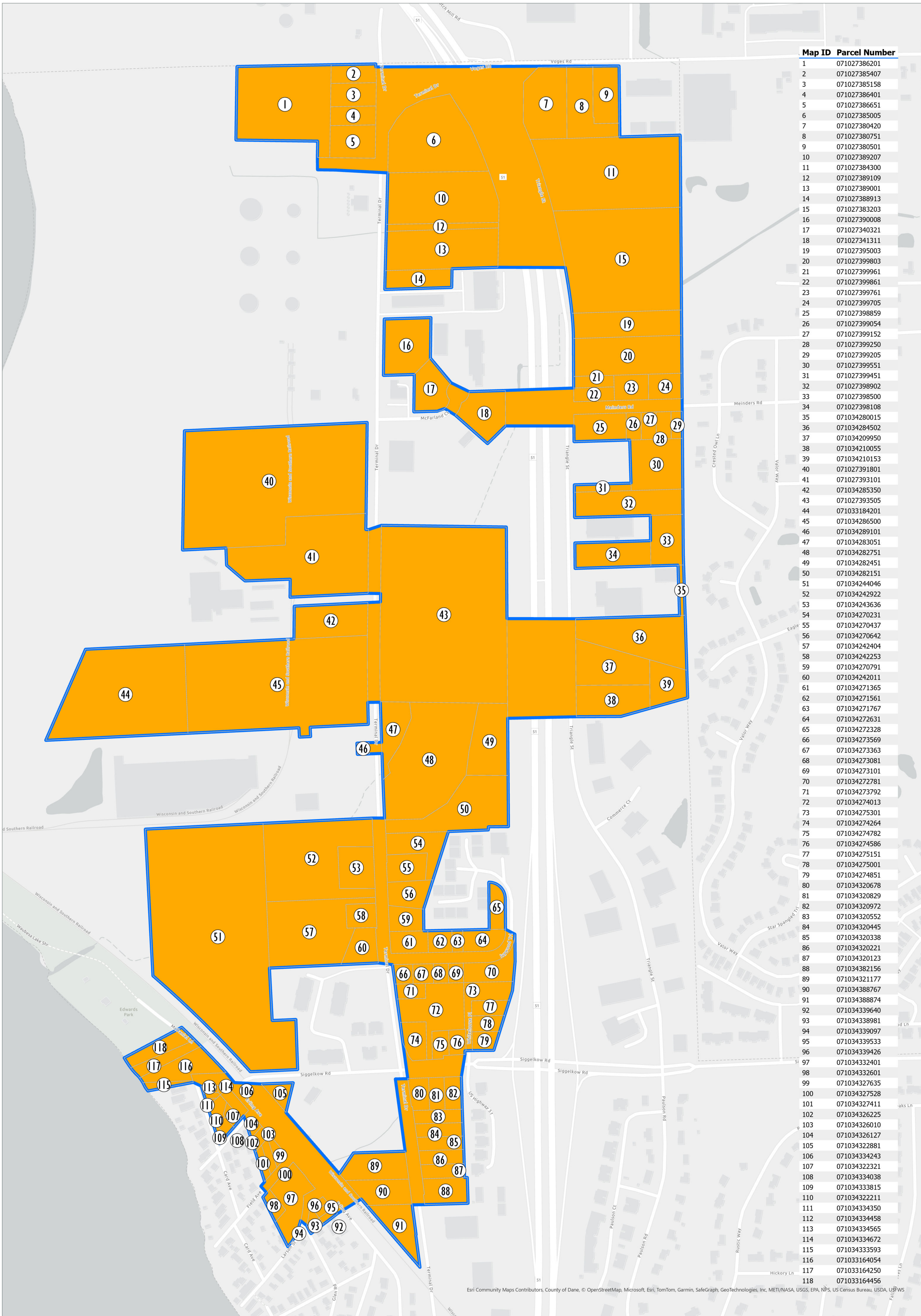
Tax Incremental District (TID): The contiguous geographical area within a municipality consisting solely of whole units of property as are assessed for general property tax purposed not including railroad rights of way, rivers or highways, or wetlands as defined in Wisconsin Statutes 23.32.

Tax Incremental Financing (TIF): A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for, the property taxes go to the municipality, county and school districts.

Tax Increment: The taxes levied by all overlying taxing jurisdictions on the difference between the base value and the current value of the TID, also known as the value increment. These taxes are sent to the municipality who operates the TID, and used to pay for the approved project costs laid out in the project plan.

Tax Rate: The rate, usually expressed in terms of dollars per one thousand dollars of assessed valuation, at which taxes are levied against the total assessed valuation of the municipality. Due to changes in the total assessed valuation of the municipality from year to year, the tax levy change and the tax rate change will not be the same. The tax rate change reflects what impact the property owner will see in their total taxes.

Value Increment: The difference in value between the base value and the current value. This is the amount of property value that can be attributed to the TIF investment, and as such is the portion of the tax base that is used to generate the tax increment that pays for the investment.



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3	071027385158
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5	071027386651
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9	071027380501
10	071027389207
11	071027384300
12	071027389109
13	071027389001
14	071027388913
15	071027383203
16	071027390008
17	071027340321
18	071027341311
19	071027395003
20	071027399803
21	071027399961
22	071027399861
23	071027399761
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25	071027398859
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33	071027398500
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35	071034280015
36	071034284502
37	071034209950
38	071034210055
39	071034210153
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41	071027393101
42	071034285350
43	071027393505
44	071033184201
45	071034286500
46	071034289101
47	071034283051
48	071034282751
49	071034282451
50	071034282151
51	071034244046
52	071034242922
53	071034243636
54	071034270231
55	071034270437
56	071034270642
57	071034242404
58	071034242253
59	071034270791
60	071034242011
61	071034271365
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89	071034321177
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91	071034388874
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94	071034339097
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117	071033164250
118	071033164456

MSA

LEGEND

tid_6_parcels

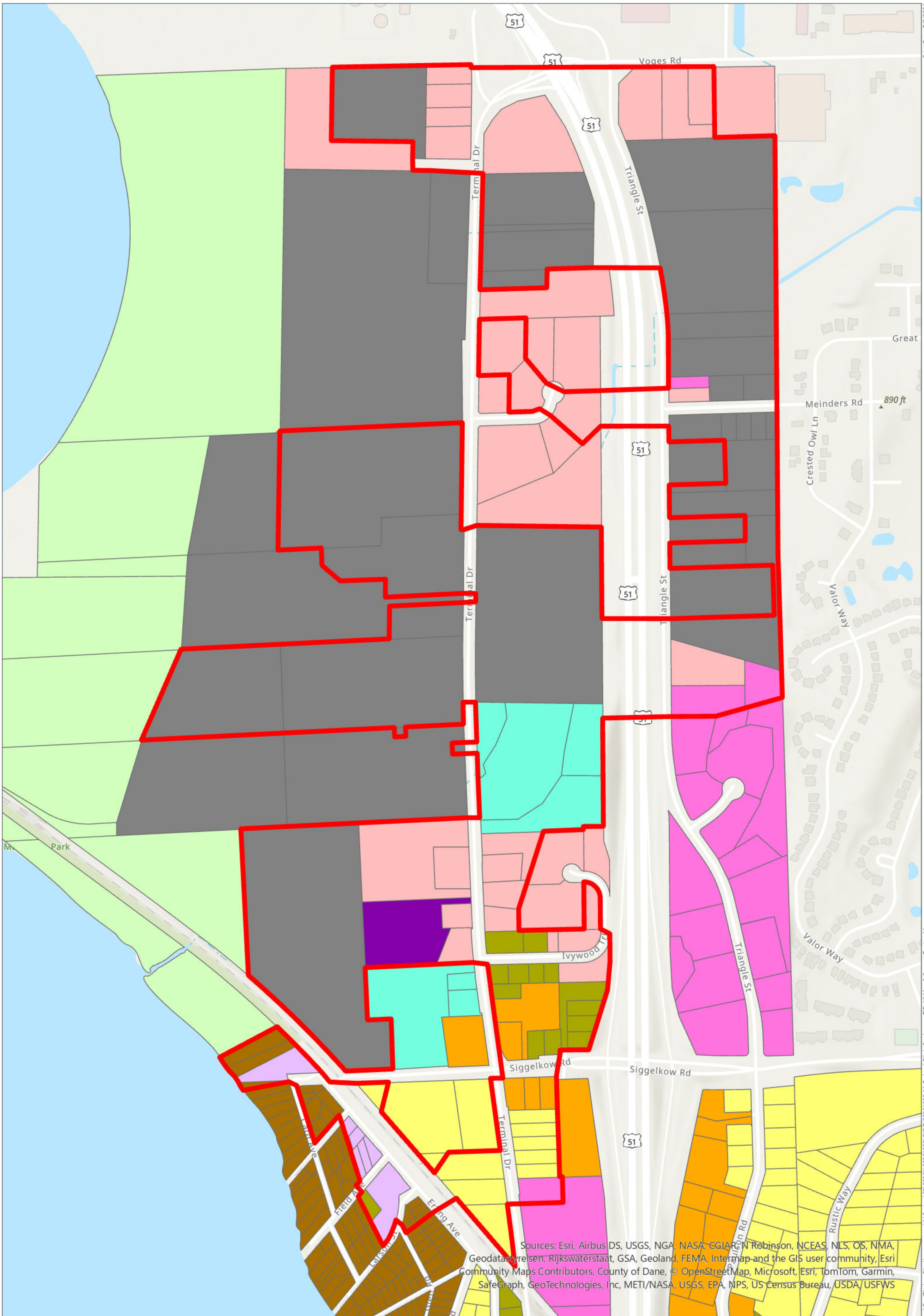
tid_6_boundary_draft

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

0 250 500 Feet

Map No. 1
TID No. 6 Boundary & Parcel Numbers

Village of McFarland
Dane County, Wisconsin



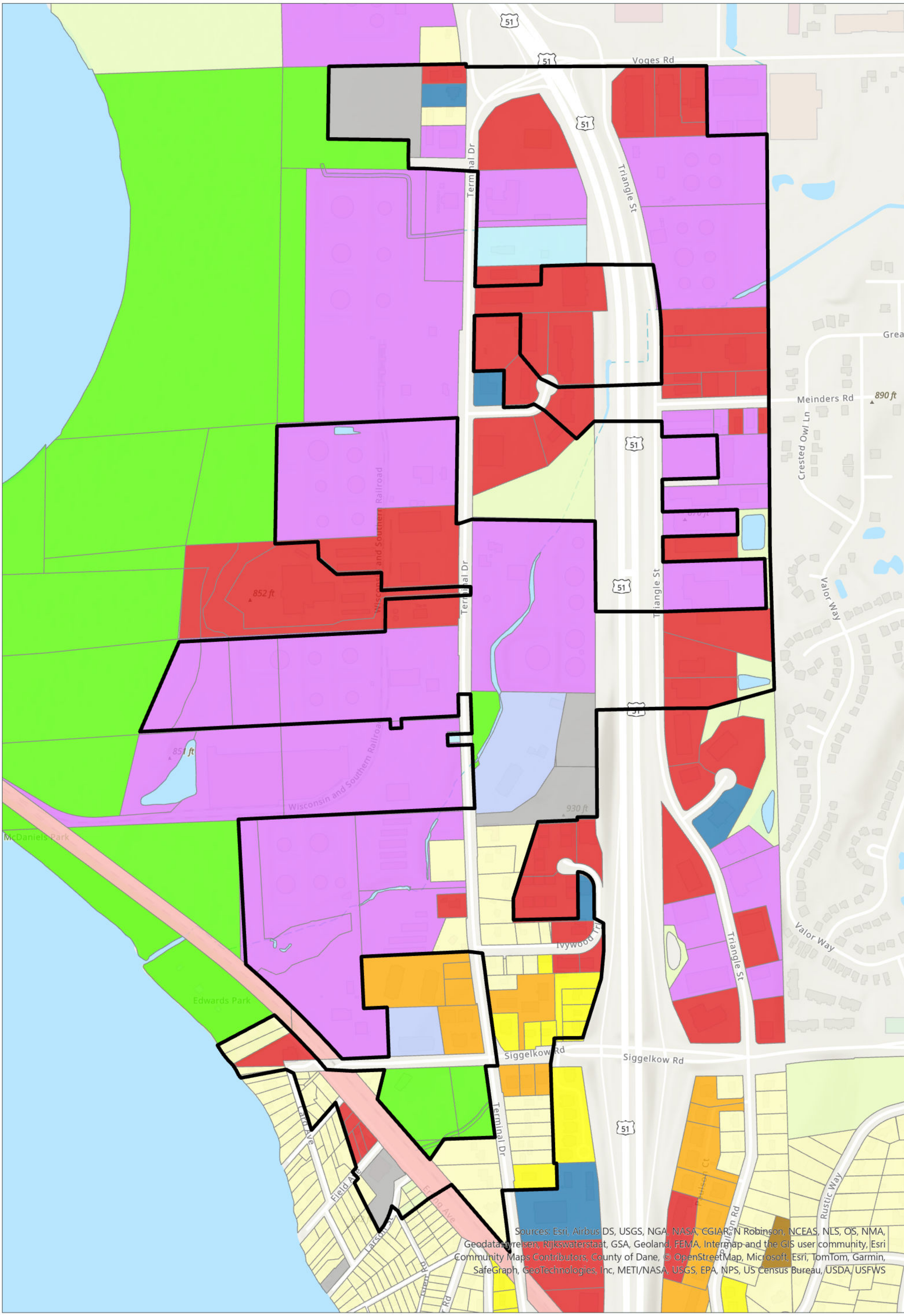
MSA

Data Sources:
Dane County
Village of McFarland
Imagery Provided by ESRI

0 230 460 Feet

- TID No. 6 Boundary
- C-G General Commercial
- C-H Highway Commercial
- C-L Limited Commercial
- C-P Commercial Park
- CO Conservancy
- M-IC Manufactured Intensive Commercial
- PD Planned Development
- R-1 Single Family Residence
- R-1B Single Family Residence
- R-2 Single & Two Family Residence
- R-3 General Residence

Map No. 2
Zoning
Village of McFarland
Dane County, Wisconsin



MSA

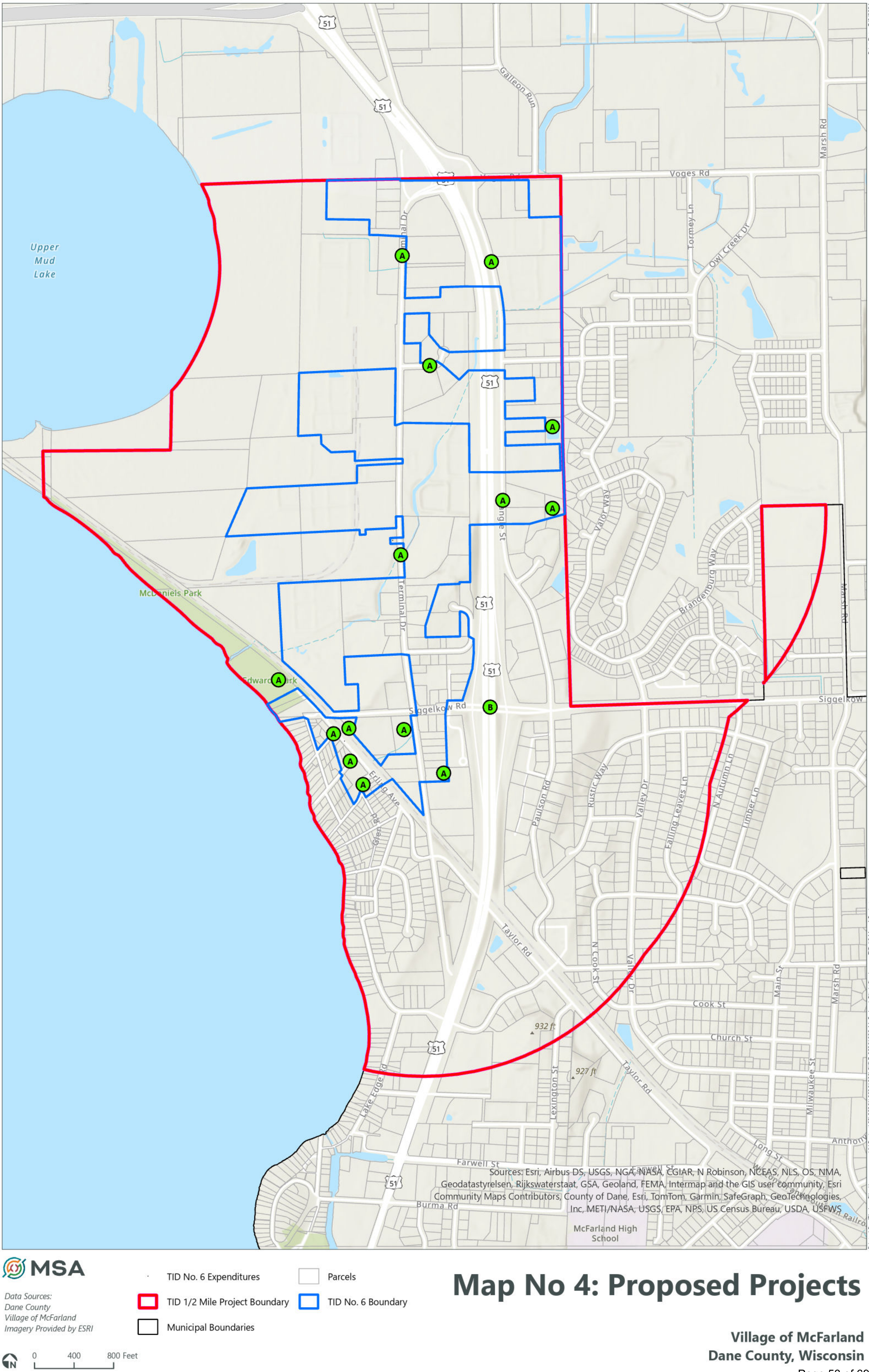
Data Sources:
Dane County
Village of McFarland
Imagery Provided by ESRI

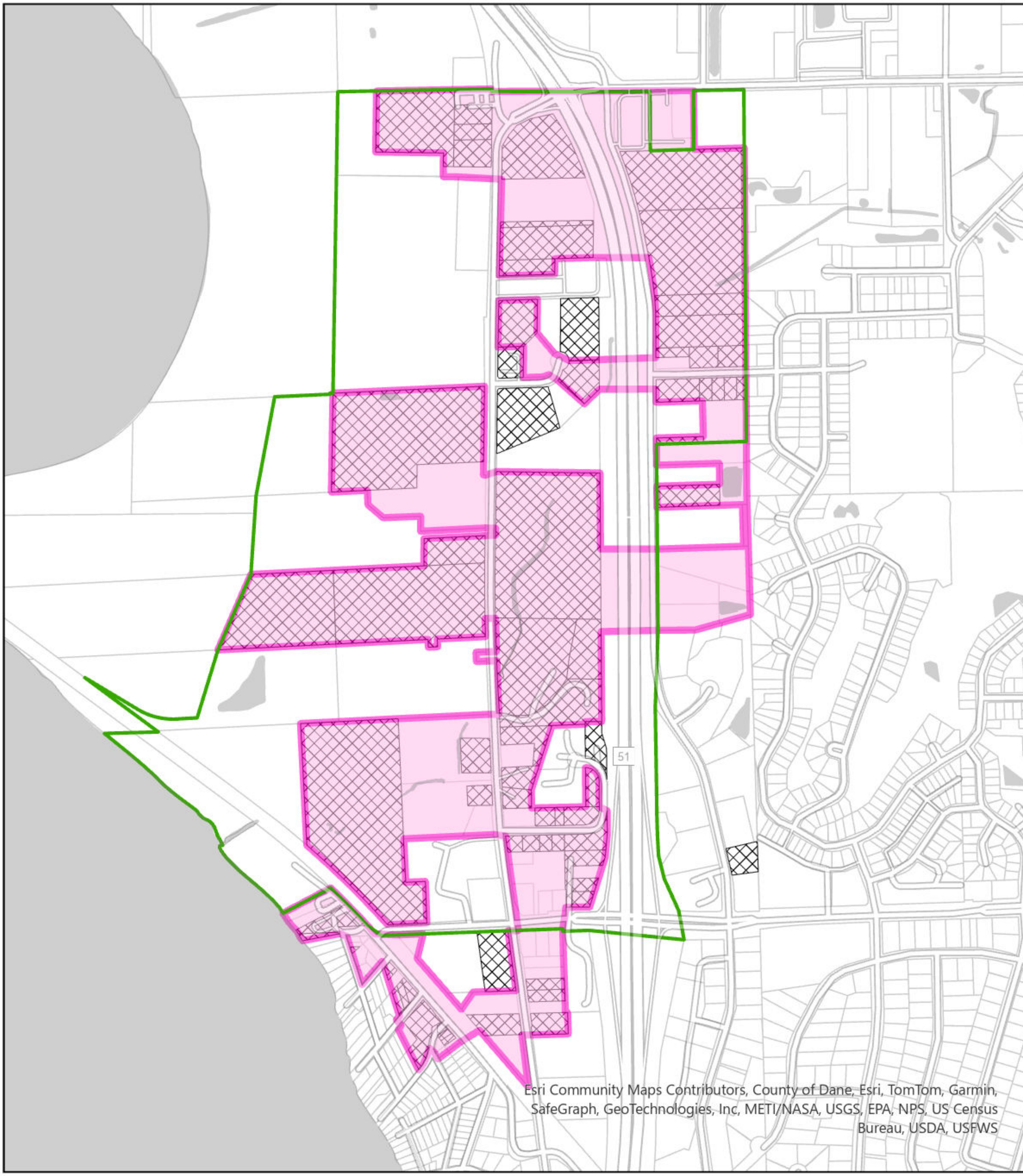
0 230 460 Feet

- TID No. 6 Boundary
- Commercial
- Communications or Utilities
- Industrial
- Institutional or Governmental
- Mixed-Use
- Multi-Family
- Open Land
- Park and Outdoor Recreation
- Railroad
- Single Family
- Two Family
- Vacant
- Woodland

Map No. 3: Current Land Use

Village of McFarland
Dane County, Wisconsin


Upper Mud Lake
Voges Rd
Tormey Ln
Owl Creek Dr
Marsh Rd
Galleon Run
Terminal Dr
Valor Way
Brandenburg Way
McDaniels Park
Edwards Park
Siggelkow Rd
Siggelkow
Erling Ave
Paulson Rd
Rustic Way
Valley Dr
Falling Leaves Ln
N Autumn Ln
Timber Ln
Taylor Rd
N Cook St
Cook St
Church St
Main St
932 ft
927 ft
Lexington St
Lake Edge Rd
Milwaukee St
Long St
Anthony
Farwell St
Burma Rd
McFarland High School
Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA, Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community, Esri Community Maps Contributors, County of Dane, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS
Print Date: 7/2/2024
MSA
Data Sources:
Dane County
Village of McFarland
Imagery Provided by ESRI
TID No. 6 Expenditures
TID 1/2 Mile Project Boundary
Municipal Boundaries
Parcels
TID No. 6 Boundary
0 400 800 Feet
Map No 4: Proposed Projects
Village of McFarland
Dane County, Wisconsin



MSA

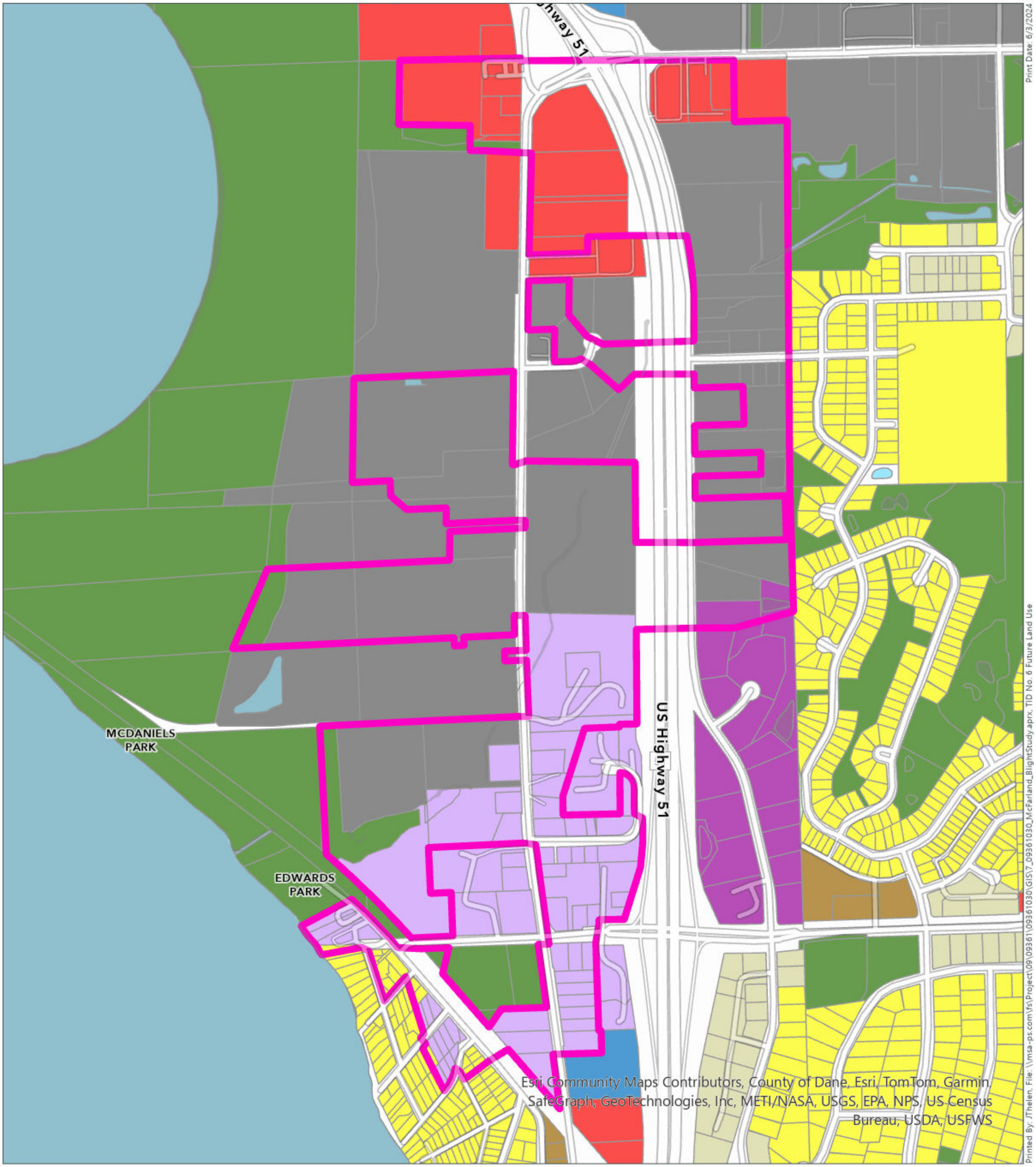
Data Sources:
Dane County
Village of McFarland
Imagery Provided by ESRI

- TID #6 Proposed Boundary
- Blighted Parcels
- Parcels
- TID #3 Existing Boundary

Map #5: Overlay TID

TID No. 6 Creation

Village of McFarland
Dane County, WI



MSA

Map No. 6 Future Land Use

TID No. 6

Data Sources:
Dane County
Wisconsin Statewide Parcel Map
Imagery Provided by ESRI

- TID No. 6 Boundary
- Agricultural Preservation
- Commercial Park
- Downtown
- Highway and General Commercial
- Industrial
- Institutional and Governmental
- Mixed Use/Flex Commercial
- Multiple Family Residential
- Neighborhood
- Public Lands, Recreation, and Environmental Corridor
- Rights-of-Way
- Single Family Residential
- Two Family and Townhouse Residential
- Water

0 430 860 Feet

Village of McFarland
Dane County, Wisconsin

VILLAGE OF McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 10, 2024**

SECTION: **Business**

DEPARTMENT: **Community Development**

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

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board to approve an Allocation Amendment of Tax Increment District #3 to make it a donor to Tax Increment District #5 and #6.**

PREVIOUS ACTION:
5.8.24 Community Development Authority preliminary review of proposed TID #3 allocation amendment.
6.4.24 Joint Review Board Organizational Meeting.
6.18.24 Plan Commission public hearing.

ISSUE SUMMARY:
The purpose of this project is to consider making TID #3 a "donor TID" to TIDs #5 & 6 "recipient TIDs" through what is referred to as an Allocation Amendment. An allocation amendment allows a municipality to transfer surplus 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.

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.

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion, second, to recommend to the Vilalge Board approval of an Allocation Amendment of Tax Increment District #3 to make it a donor to Tax Increment District #5 and #6.

ATTACHMENTS:
1. Village of McFarland_TID #3_Project Plan Amendment #3_07022024

Project Plan Amendment No. 3

Allocation Amendment of Tax Incremental Finance District No. 3

Village of McFarland, WI

Drafted: July 2, 2024
Date of Village Board Approval: XX/XX/2024

TID #3:

District Type: Industrial

Create Date: August 9, 2004

Territory and Project Plan Amendment No. 1: 2007

Project Plan (Allocation) Amendment No. 2: 2017

Expenditure Period: August 9, 2022

Termination Date: August 9, 2027

Project Plan – Allocation Amendment of Tax Incremental Finance District No. 3

Village of McFarland, WI

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

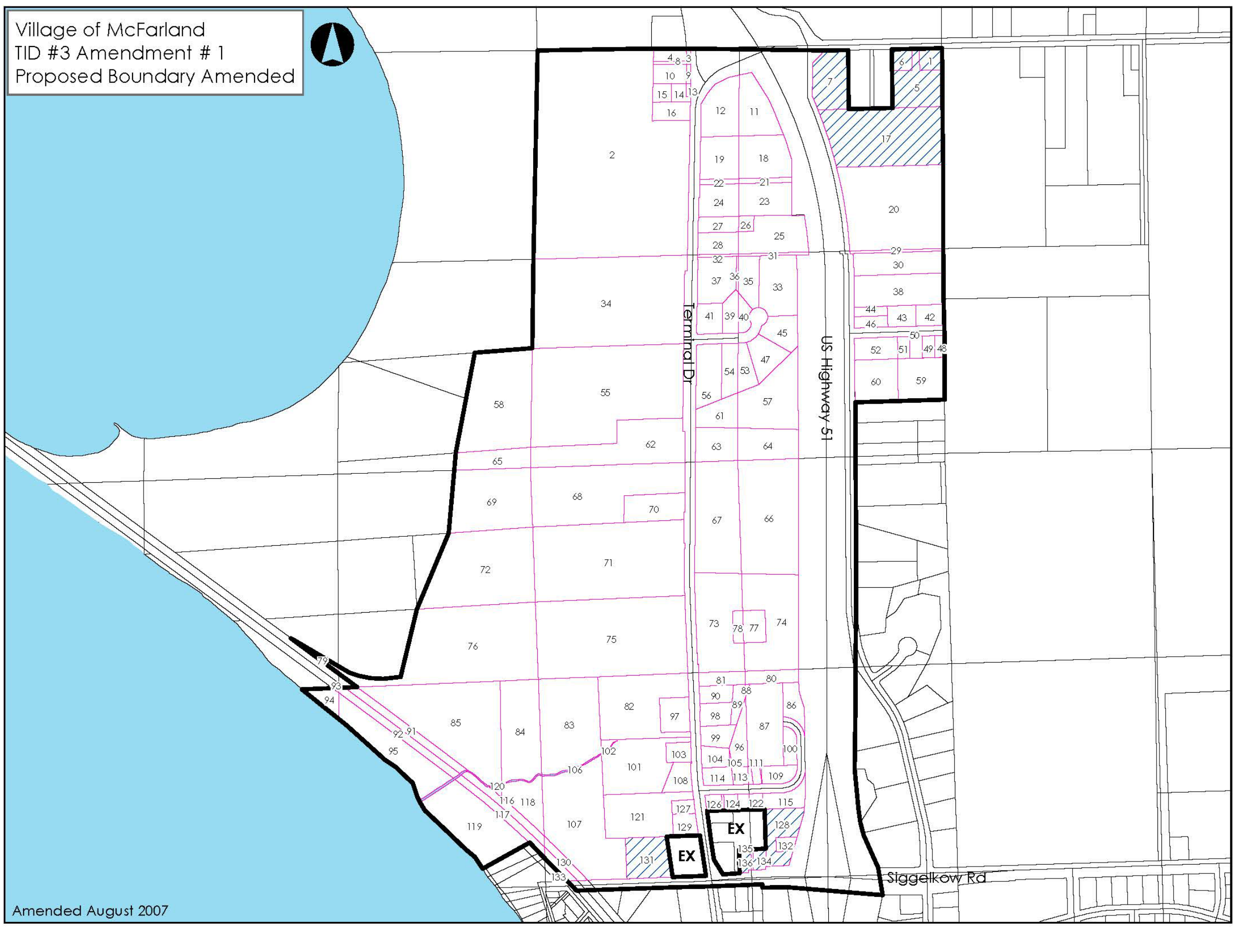
LIST OF APPENDICES*

**Note Appendix A-F will be compiled upon completion of the project meetings for submission to the Wisconsin Department of Revenue.*

Amended Section I. Introduction and Planning Schedule

The purpose of this Project Plan Amendment is to establish TID #3 as a Donor TID to existing TID#5 and proposed TID #6 (Recipient TIDs). The Village of McFarland created TID#3 in 2004. The District was created as an Industrial TID for the purpose of facilitating redevelopment and completion of public works projects of the Terminal Drive and Triangle Street areas of the Village. The District was amended in 2007 to include additional territory and project expenditures. The District was amended a second time in 2017 to establish TID #3 as a Donor to TID #4. Refer to Figure 1 below for a map of the original and amended boundary.

Figure 1: Map of TID #3 Boundary, as previously amended in 2007

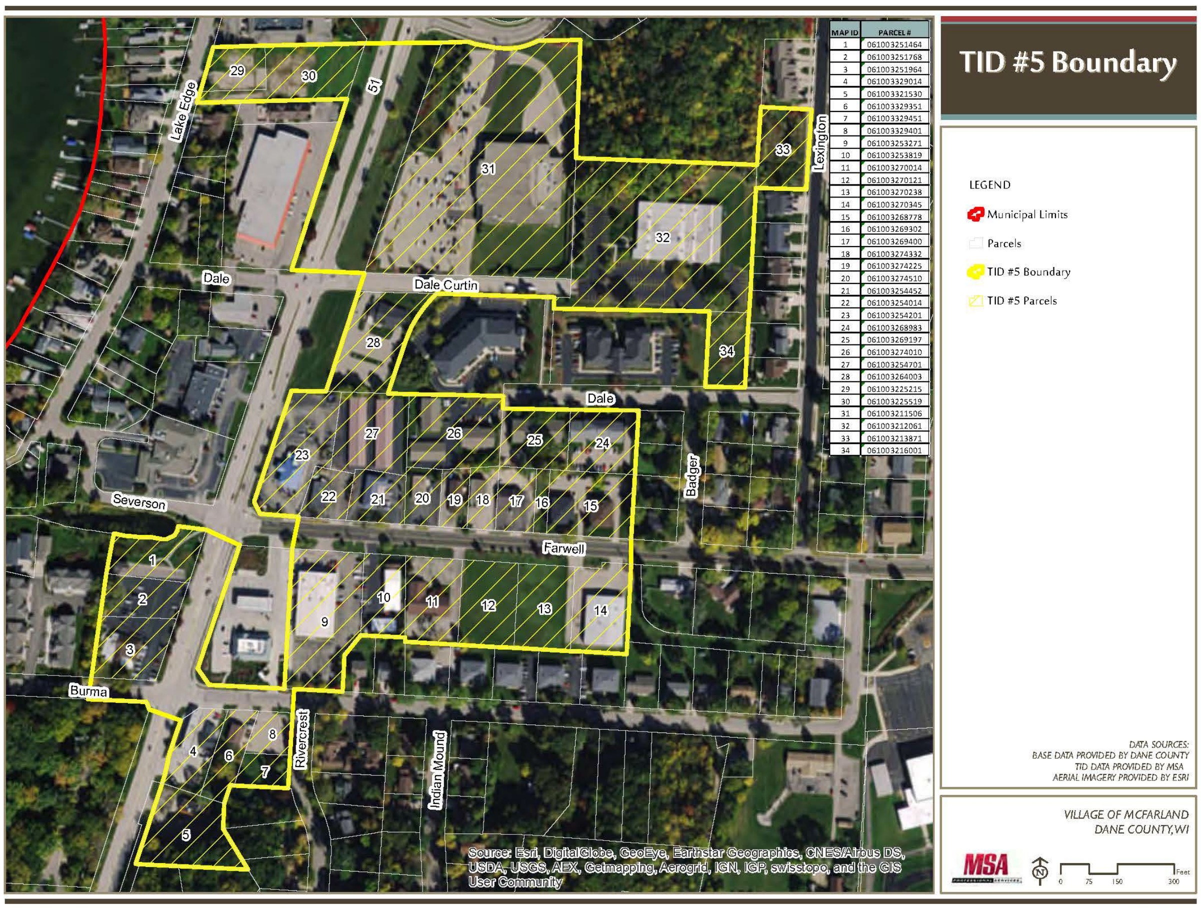


TID #3 has performed quite well, including the creation of $78,402,400 in tax increment value (source: Wisconsin Department of Revenue 2023 Value Limitation Report). TID #3 facts:

- TID #3 Base Value: $21,547,700
- 2023 Current Value: $105,399,800
- 2023 Tax Increment Value: $78,402,400
- 2023 Year End Fund Balance: $659,540 (source: 2023 TID #3 Compiled Financial Statements, Baker Tilly)

TID #5 was created on December 1, 2017 as a Rehabilitation & Conservation district and includes properties near USH 51 and Farwell Street (refer to Figure 2 below).

Figure 2: Map of TID #5 Boundary



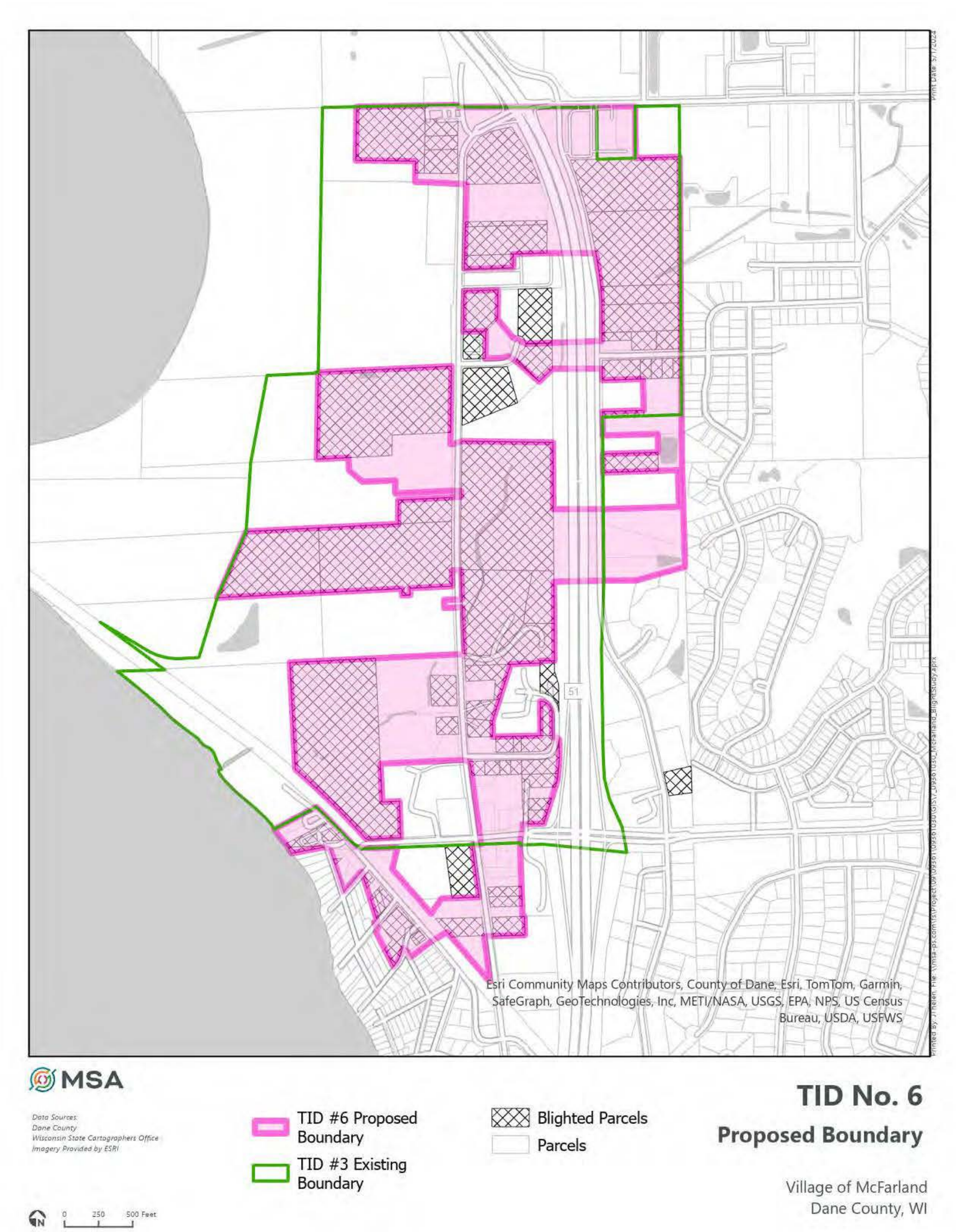
TID #5 facts:

- TID #5 Base Value: $17,030,100
- 2023 Current Value: $35,102,000
- 2023 Tax Increment Value: $18,071,900
- 2023 Year End Fund Balance: -$395,164 (source: 2023 TID #3 Compiled Financial Statements, Baker Tilly)

TID #3 has advanced TID #5 funding to facilitate redevelopment projects in the district with no interest on advances. Through 2023 the balance of the advances is $397,466. TID #5 is not projected to have sufficient annual cash flow to retire the entire cumulative advances prior to 2027 within TID #3 closes and would benefit from an allocation amendment.

TID #6 is proposed for creation at the same time as the proposed TID #3 Allocation Amendment to TID's #5 & #6. TID #6 is proposed as a Blighted TID and is a partial overlay of existing TID #3. 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. It is common for new TIDs to have negative cash flows within the first years of the district as new project commence and tax increment revenues lag two years behind. The allocation of excess tax increment from TID #3 to TID #6 will allow TID #6 to start from a better cashflow position.

Figure 3: Map of Proposed TID #6 Boundary



Per Wisconsin State Statues 66.1105(6)(f)2, an allocation amendment is allowed if the Recipient TID is a blighted (proposed TID #6) or rehabilitation/conservation (existing TID #5) district.

Figure 4: Allowable Allocation Amendments for TIDs

<table>
<tr><th colspan="3">Tax Incremental District (TID) – Allocation Amendment Types</th></tr>
<tr><td colspan="3">Within the same municipality, a TID with excess funds (the donor) can transfer funds to another TID (the recipient) through an allocation amendment.</td></tr>
<tr><td colspan="3">Donor TID must:
• Be created under secs. 60.23, 66.1105 or 66.1106, Wis. Stats.
• Have the same overlying taxing jurisdictions as the recipient TID
Municipality must:
• Adopt an allocation resolution for the donor TID before the donor and recipient TIDs reach their maximum life. The municipality may transfer funds after adopting the allocation resolution until the donor TID reaches its maximum life.
• Demonstrate the donor TID has enough revenue to pay its planned project costs and the amount it is allocating to the recipient TID
• Update the project plan for the donor TID and include a total allocation amount and yearly breakdown, if available</td></tr>
<tr><th>Distressed or Severely Distressed Recipient TID
(sec. 66.1105(4e)(d), Wis. Stats.)</th><th>Allocations based on Recipient Type
(sec. 66.1105(6)(f)2., Wis. Stats.)</th><th>Environmental Remediation (ER) TID Createdon or before November 29, 2017
(sec. 66.1106(2)(c), Wis. Stats.)</th></tr>
<tr><td>For a recipient TID classified as distressed or severely distressed, the donor TID may transfer surplus revenue for the below timeframes:
• Distressed – whichever is less:
  ○ 10 years past the donor TID's maximum life
  ○ Recipient TID's extended life
• Severely distressed – whichever is less:
  ○ Until the donor TID exists for 40 years
  ○ Recipient TID's extended life</td><td>Recipient TID must meet one of the following conditions:
• Has project costs to create, provide or rehabilitatelow-cost housing or to remediate environmental contamination
• Is a blighted or rehabilitation/conservation TID
• Is an Industrial or mixed-use TID designated asdistressed or severely distressed
• Is an ER TID
Donor restrictions:
• Once an industrial or mixed-use TID created after September 30, 2004 becomes a donor, it can no longer receive the standard extension to its maximum life, per sec. 66.1105(6)(f)4., Wis. Stats.
• An ER TID created under sec. 66.1105 Wis. Stats. may only allocate to another ER TID</td><td>ER TID created under sec. 66.1106 allocating to either:
• Any ER TID
• A TID meeting one of the following conditions (sec. 66.1105(6)(f)2., Wis. Stats.):
  ○ Has project costs to create, provide or rehabilitate low-cost housing or to remediateenvironmental contamination
  ○ Is a blighted or rehabilitation/conservation TID
  ○ Is an industrial or mixed-use TID designated as distressed or severely distressed</td></tr>
<tr><td colspan="3">For additional information, visit the Municipal Tax Incremental Finance Project Plan and/or Allocation Amendments web page.</td></tr>
</table>

(R. 11-23) *WI Dept of Revenue*

State Statute 66.1105 prescribes the process for creating and amending Tax Incremental Finance Districts. The law requires public input in the TID creation process, including a public hearing held by the Planning Commission at which time TID information is discussed and citizens can reasonably voice their opinions on the proposed TID Project Plan. A three-phased approval process is required to adopt or amend TIF Districts including approval by the Planning Commission, Village Board, and the Joint Review Board (JRB). Table 1 summarizes the meeting/action calendar for the Village of McFarland TID #3 amendment process.

Table 1: TID No. 3 Meeting and Action Calendar

Date	Meeting/Action
May 8, 2024	Community Development Authority review of proposed Allocation Amendment.
May 24, 2024	Village notifies taxing entities (school district, county, vocational college, and any special taxing districts) on proposed Allocation Amendment and upcoming meetings.
May 30, 2024	First Notice of Public Hearing is published in the local newspaper (Class 2). JRB notice published (Class 1).
June 4, 2024	JRB Organizational Meeting #1. Chairperson and member-at-large are selected at this meeting and a review of the proposed TID #6.
June 6, 2024	Second Notice of Public Hearing is published in local newspaper.

June 18, 2024	Plan Commission holds the Public Hearing for the Allocation Amendment. Interested parties are given a reasonable opportunity to express their views on the proposed boundary and project plan.
July 10, 2024	CDA recommendation to Village Board for approval of proposed TID Project Plan.
July 16, 2024	Plan Commission action on a resolution recommending consideration and approval of the proposed Allocation Amendment by the Village Board.
July 23, 2024	Village Board action on the proposed Allocation Amendment. Approval by resolution contains findings that detail the TID's consistency with state statutes.
August 8, 2024	Upon approval of the Village Board, the Joint Review Board holds a second meeting to review the TID and act by resolution on the Allocation Amendment. The Board submits its decision to the Village no more than 7 days after the vote.
Within 60 days of JRB action	Department of Revenue is notified of the Allocation Amendment 6 by the Village of McFarland and subsequent approval by the Joint Review Board.
October 31, 2024	Submit base packet documentation and Project Plan for Wisconsin Department of Revenue for certification.

No other amendments to the original 2004, and amended 2007, Project Plans are being considered with this amendment and all previously approved public works projects remain TID eligible expenditures.

As required by Sec. 66.1105(5)(b), Wis. Stats., a copy of this Project Plan will be submitted to the Department of Revenue and used as a basis for their certification of the allocation amendment to TID #3 in the Village of McFarland. Amended Sections included in TID #3 Project Plan Amendment No.3 include:

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

If Sections, maps or tables are not included, no change was made from the original 2004 and amended 2007 and 2017 Project Plans.

Summary of Findings

In amending TID #3, the Village of McFarland has made the following findings, consistent with Section 66.1105 of Wisconsin Statutes:

- TID #3 (donor TID) has the same overlying taxing jurisdictions as TID #5 and TID #6 (recipient TIDs).
- This Project Plan demonstrates that TID #3 has sufficient revenue to pay for all incurred project costs and has sufficient surplus revenue to pay some of the costs for TID #5 and #6 project expenses.
- That TID #5 was created upon a finding that not less than 50% of the real property in the District is in need of rehabilitation or conservation.
- That TID #6 was created upon a finding that not less than 50% of the real property in the District is blighted.
- Once the donor amendment is established TID #3 cannot request or receive an extension to its maximum life under current State Statutes.

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

Tables 2 and 3 on the following pages address the Village's findings that TID #3 has sufficient revenue to pay for all incurred project costs and has sufficient surplus to pay some of the costs for TID #5 and TID #6.

Table 2 provides a summary of actual and estimated tax increment based a conservative no growth scenario in which no new development occurs in TID #3 throughout the remaining life of the District, no increases in the value of the District occur due to inflation of assessment values, and the tax rate remains unchanged. Given the stated assumptions TID #3 is projected to close having collected $18,528,575 in tax increment.

Table 3 provides a performance analysis of TID #3 given the stated revenue assumptions and the following expenditure assumptions:

- Capital Expenditures. One remaining capital expenditure is shown in 2027 related to payment of a development incentive that was approved prior to the termination of the expenditure period. If the developer meets its obligations under the development agreement prior to TID #3 closing the Village is responsible for a $337,500 payment.
- Annual Debt Service. In 2022, prior to the TID #3 expenditure period, the Village borrowed funds for the reconstruction of Terminal Drive from Siggelkow Road to Lift Station #4. Total principal and interest payments remaining are $1,448,625.
- Administration & Operational Costs. Remaining expenditures are based on the 2024 Village Budget for TID #3.
- Donation to TID #4. Funding in 2024 if based on the 2024 Village Budget for TID's #3 & #4. Additional donations may occur in the years 2025-2027 based on approval from the Village Board.
- Advance to TID #5. Funding in 2025 is based on the 2024 Village Budget for TID's #3 & #5. Without an allocation amendment, TID #5 is required to pay off all cumulative advances prior to the closure of TID #3, which is shown as revenue to TID #3 in 2027. Assuming TID #5 could not financially make this payment, under current projections, the Village's General Fund would have to make the payment on behalf of TID #5.

As shown in Table 3, TID #3 is projected to close with a surplus of $4,350,447 assuming no additional donations to TID #4 and no additional advances to TID #5 in the years 2025-2027. Even without the repayment of the TID #5 advances, TID #3 is projected to close with a surplus of $3,652,981.

The 2007 Project Plan for TID #3 assumed the creation of $67,396,200 in assessment value from new development over the life of the District. As previously noted, through 2023 the District has achieved $78,402,400 in new development value, outperforming the 2007 Project Plan assumptions.

Table 2: TID #3 Projected Tax Increment, No Additional New Development

Village of McFarland	TID #3			NO NEW DEVELOPMENT						
A	B	C	D	E	F	G	H	I	J	K
IMPROV. DURING YEAR	BEGINNING OF YEAR VALUE	EST. GROWTH IN VALUE OF NEW DEVELOP. [1]	CUMULATIVE VALUE	INFLATION INCREMENT [2]	END OF YEAR VALUE	TAX INCREMENT VALUE	TAX VALUE YEAR	TAX RATE [3] $1,000	TAX INCREMENT COLLECTED	COLLECTION YEAR
2004	$21,547,700	$7,102,500	$28,650,200	$0	$28,650,200	$7,102,500	2005	x	$164,170	2006
2005	$28,650,200	$9,103,700	$37,753,900	$0	$37,753,900	$16,206,200	2006	x	$331,293	2007
2006	$37,753,900	$6,212,000	$43,965,900	$0	$43,965,900	$22,418,200	2007	x	$462,568	2008
2007	$43,965,900	$12,167,000	$56,132,900	$0	$56,132,900	$34,585,200	2008	x	$712,470	2009
2008	$56,132,900	$9,977,900	$66,110,800	$0	$66,110,800	$44,563,100	2009	x	$829,770	2010
2009	$66,110,800	($3,795,600)	$62,315,200	$0	$62,315,200	$40,767,500	2010	x	$802,316	2011
2010	$62,315,200	($2,844,300)	$59,470,900	$0	$59,470,900	$37,923,200	2011	x	$753,774	2012
2011	$59,470,900	($3,690,600)	$55,780,300	$0	$55,780,300	$28,782,900	2012	x	$710,116	2013
2012	$55,780,300	($358,700)	$55,421,600	$0	$55,421,600	$28,424,200	2013	x	$704,314	2014
2013	$55,421,600	$4,412,400	$59,834,000	$0	$59,834,000	$32,836,600	2014	x	$778,000	2015
2014	$59,834,000	$555,300	$60,389,300	$0	$60,389,300	$33,391,900	2015	x	$767,184	2016
2015	$60,389,300	$570,200	$60,959,500	$0	$60,959,500	$33,962,100	2016	x	$796,300	2017
2016	$60,959,500	$2,050,700	$63,010,200	$0	$63,010,200	$36,012,800	2017	x	$821,442	2018
2017	$63,010,200	$2,418,400	$65,428,600	$0	$65,428,600	$38,431,200	2018	x	$871,381	2019
2018	$65,428,600	$547,700	$65,976,300	$0	$65,976,300	$38,978,900	2019	x	$828,009	2020
2019	$65,976,300	$5,687,500	$71,663,800	$0	$71,663,800	$44,666,400	2020	x	$930,641	2021
2020	$71,663,800	$2,992,100	$74,655,900	$0	$74,655,900	$47,658,500	2021	x	$965,291	2022
2021	$74,655,900	$18,994,200	$93,650,100	$0	$93,650,100	$66,652,700	2022	x	$1,196,495	2023
2022	$93,650,100	$11,749,700	$105,399,800	$0	$105,399,800	$78,402,400	2023	$16.26	$1,339,260	2024
2023	$105,399,800	($901,800)	$104,498,000	$0	$104,498,000	$77,500,600	2024	$16.26	$1,259,973	2025
2024	$104,498,000	($496,300)	$104,001,700	$0	$104,001,700	$77,004,300	2025	$16.26	$1,251,905	2026
2025	$104,001,700	$0	$104,001,700	$0	$104,001,700	$77,004,300	2026	$16.26	$1,251,905	2027
2026	$104,001,700	$0	$104,001,700	$0	$104,001,700	$77,004,300	2027	$16.26	x	2028
2027	$104,001,700	$0	$104,001,700	$0	$104,001,700	$77,004,300	2028	$16.26	x	2029
	TOTAL	$82,454,000		$0					$18,528,575	2004-2027
									$5,103,043	2024-2027

ASSUMPTION

1. No new development in remaing TID years
2. 0.0% percent annual inflation of assessed values.
3. Tax rate remains constant

TID DATES

Creation Date: 08-09-2004
Expenditure Period: 08-09-2022
Termination Date: 08-09-2027

Table 3: TID #3 Performance Analysis, No Additional New Development or Capital Expenditures

Village of McFarland	TID #3		NO NEW DEVELOPMENT OR CAPITAL EXPENDITURES														
L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	BB	CC
PAYMENT YEAR	CAPITAL EXPENDITURE COSTS	ANNUAL DEBT SERVICE	INTEREST ON ADVANCES	ADMIN & OPERATIONS COSTS	SUBSIDY TO TID #4	SUBSIDY TO TID #5	TOTAL USES TID FUNDS	TAX INCREMENT COLLECTED	DEBT ISSUED / PREMIUM	DEVELOP GAURAN	TRANSFER FROM TID #4	TRANSFER FROM TID #5	OTHER INCOME	INVESTM INCOME	TOTAL SOURCES TID FUNDS	ANNUAL CASH FLOW	TID FUND BALANCE
2004	$1,964,250	$28,100	$5,749	$30,166	$0	$0	$2,028,265	$0	$1,535,000	$0	$0	$0	$0	$0	$1,535,000	($493,265)	($493,265)
2005	$627,599	$32,359	$4,089	$42,640	$0	$0	$706,687	$0	$1,421,545	$0	$0	$0	$0	$25,513	$1,447,058	$740,371	$247,106
2006	$510,890	$173,727	$7,531	$40,350	$0	$0	$732,498	$164,170	$0	$0	$0	$0	$15,896	$0	$180,066	($552,432)	($305,326)
2007	$162,146	$115,091	$14,149	$36,816	$0	$0	$328,202	$331,293	$0	$0	$0	$0	$19,525	$0	$350,818	$22,616	($282,710)
2008	$693,101	$212,218	$6,928	$40,363	$0	$0	$952,610	$462,568	$4,442,234	$0	$0	$0	$17,145	$420	$4,922,367	$3,969,757	$3,687,047
2009	$26,588	$3,520,964	$0	$33,342	$0	$0	$3,580,894	$712,470	$0	$16,346	$0	$0	$14,139	$3,534	$746,489	($2,834,405)	$852,642
2010	$134,363	$533,986	$0	$56,908	$0	$0	$725,257	$829,770	$0	$28,278	$0	$0	$18,806	$596	$877,450	$152,193	$1,004,835
2011	$11,095	$539,449	$0	$38,151	$0	$0	$588,695	$802,316	$0	$33,804	$0	$0	$26,373	$472	$862,965	$274,270	$1,279,105
2012	$143,530	$538,311	$0	$42,670	$0	$0	$724,511	$753,774	$0	$0	$0	$0	$25,098	$631	$779,503	$54,992	$1,334,097
2013	$239,332	$540,376	$0	$35,609	$0	$0	$815,317	$710,116	$0	$80,104	$0	$0	$26,274	$445	$816,939	$1,622	$1,335,719
2014	$6,139	$485,728	$0	$44,727	$0	$0	$536,594	$704,314	$0	$94,120	$0	$0	$11,789	$416	$810,639	$274,045	$1,609,764
2015	$0	$487,064	$0	$44,338	$0	$0	$531,402	$778,000	$0	$90,966	$0	$0	$4,784	$802	$874,552	$343,150	$1,952,914
2016	$545,584	$671,076	$0	$65,929	$843,658	$0	$2,126,247	$767,184	$0	$119,151	$0	$0	$3,988	$9,421	$899,744	($1,226,503)	$726,411
2017	$0	$66,406	$0	$52,536		$0	$118,942	$796,300	$0	$41,432	$0	$0	$5,466	$4,818	$848,016	$729,074	$1,455,485
2018	$708,800	$66,406	$0	$49,912	$245,470	$0	$1,070,588	$821,442	$0	$0	$0	$0	$5,547	$15,418	$842,407	($228,181)	$1,227,304
2019	$9,200	$326,406	$0	$41,457	$79,213	$0	$456,276	$871,381	$0	$0	$0	$0	$5,681	$32,992	$910,054	$453,778	$1,681,082
2020	$813,609	$324,056	$0	$53,611	$217,841	$0	$1,409,117	$828,009	$0	$29,953	$0	$0	$52,943	$10,154	$921,059	($488,058)	$1,193,024
2021	$973	$325,894	$0	$64,894	$440,957	$0	$832,717	$930,641	$0	$81,891	$0	$0	$96,437	$669	$1,109,637	$276,920	$1,469,944
2022	$1,818,491	$349,517	$0	$77,722	$ 702,750	$0	$2,948,480	$965,291	$1,689,183	$19,484	$0	$0	$52,721	$38,550	$2,765,228	($183,251)	$1,286,693
2023	$255,710	$686,286	$0	$138,772	$911,590	$0	$1,992,358	$1,196,495	$0	$13,368	$0	$0	$74,716	$80,627	$1,365,206	($627,151)	$659,541
2024	$35,000	$361,075	$0	$167,250	$935,000	$300,000	$1,798,325	$1,339,260	$0	$9,631	$0	$0	$319,250	$75,000	$1,743,141	($55,184)	$604,357
2025	$337,500	$361,175	$0	$167,250	$0	$0	$865,925	$1,259,973	$0	$9,631	$0	$0	$319,250	$75,000	$1,663,854	$797,929	$1,402,286
2026	$0	$360,975	$0	$167,250	$0	$0	$528,225	$1,251,905	$0	$9,631	$0	$0	$319,250	$75,000	$1,655,785	$1,127,560	$2,529,846
2027	$0	$365,400	$0	$167,250	$0	$0	$532,650	$1,251,905	$0	$9,631	$0	$697,466	$319,250	$75,000	$2,353,251	$1,820,601	$4,350,447
TOTAL	**$9,043,900**	**$11,472,045**	**$38,446**	**$1,699,912**	**$4,376,479**	**$300,000**	**$26,930,782**	**$18,528,575**	**$9,087,962**	**$687,420**	**$0**	**$697,466**	**$1,754,327**	**$525,479**			
2024-2027	*$372,500*	*$1,448,625*	*$0*	*$669,000*	*$935,000*	*$300,000*	*$3,725,125*	*$5,103,043*	*$0*	*$38,523*	*$0*	*$697,466*	*$1,277,000*	*$300,000*	*$7,416,031*		

Table 4 provides the revised summary of TID #3 eligible expenditures as amended through the adoption of this Project Plan. All previously eligible project expenditures are carried forward with Project Plan Amendment No. 3. Additional details regarding previously eligible public works projects can be found in the 2004 Original Project Plan, 2007 Amendment No. 1 Project Plan, and 2017 Amendment No. 1 Project plan. This Project Plan adds as separate line-item expenses for Allocation Payments to TID #5 and TID #6 in the amount of $1,500,000 each. Therefore, the Total Uses of Funds for TID #3 are revised from $40,490,735 to $43,490,735 with this Project Plan Amendment No 3.

Table 4: TID #3 Amended Public Works Project Costs and Expenditures

Uses of Funds	From Creation through 2023	Amended Project Plan Estimate
Capital Expenditures	$4,931,116	$9,639,818
Developer Payments	$3,893,870	$5,000,000
Administration (in-house)	$719,195	$975,201
Professional Services	$336,376	$0
Allocation to TIF No. 4	$3,263,236	$4,373,416
Allocation to TIF No. 5	$0	$1,500,000
Allocation to TIF No. 6	$0	$1,500,000
Interest on Advance	$38,446	$38,466
Interest and Fiscal Charges	$2,375,420	$3,538,049
Principal on Long-Term Debt	$7,648,000	$16,925,785
Total	**$23,205,659**	**$43,490,735**

Table 4 lists the estimated total expenditures for each project category. This format follows Wisconsin Department of Revenue guidance on detailed project costs (pe-209), which states the project list should include "estimated expenditures expected for each major category of public improvements." It is important to note that this Project Plan is not meant to be an appropriation of funds for specific projects, but a framework with which to manage projects. All costs identified are preliminary estimates made prior to design considerations, or engineering studies, and are subject to change after planning is complete. All of the customary expenses are considered in these estimates, including but not limited to: legal fees, engineering fees, architectural fees, planning fees, surveying and mapping fees, inspection, construction costs, materials and apparatus, restoration work, permits, reports, judgments, claims for damages and other expenses.

The projects listed in Table 4 will provide necessary facilities, land area, and support to enable and encourage the (re)development of TID #3, TID #4, TID #5 and TID #6. These projects may be implemented by the Village in varying degrees in response to development needs and will be guided by the TID #3 Project Plan, TID #4 Project Plan, TID #5 Project Plan, TID #6 Project Plan, the Village's Redevelopment District #1 Plan, the Village's Comprehensive Plan, other existing plans and policies of the Village and public input.

The Village Board is not mandated to make improvements defined in this Project Plan; including the donation of surplus funds to TIDs #4, #5, and #6. Annual donations will require case-by-case review and authorization. The decision to proceed with donations of surplus revenues will be based on the actual economic conditions within the donor and recipient TIDs. The Village reserves the right to increase and decrease particular project costs within the Total TID Expenditure budget estimate without amending this Project Plan. For example, reallocating unused funds from one project category to another.