

Wednesday, August 14, 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 July 10, 2024 Community Development Authority meeting.

4. BUSINESS.

- a. Discussion regarding creation of Tax Incremental Finance District #7.

5. SCHEDULE NEXT MEETING DATE.

- a. Wednesday, September 11, 2024 at 7:00 PM.

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

July 10, 2024

Members Present: Stephanie Brassington, Benjamin Tanko, Elizabeth Yszenga, Kurt Zimmerman, Anthony Hennes

Members Absent: Krystalynn Sabol, Luke Fessler

Staff Present: Andrew Bremer, Karen Knoll

1. CALL TO ORDER

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

2. PUBLIC APPEARANCES

Matthew Wiswell 6302 Pennock Lane, McFarland, WI – spoke in opposition to the creation of TID #7.

3. APPROVAL OF MINUTES

- a. Motion to approve the minutes of the Community Development Authority draft minutes from the May 8, 2024, meeting.

Brassington moved to approve the May 8, 2024, Community Development Authority minutes. Tanko seconded the motion. Motion carried 5-0.

4. BUSINESS.

- a. Discussion regarding the 2023 Annual Report for Tax Increment District #3.

Bremer summarized this agenda item along with 4(b) and 4 (c) deal with the annual required reporting to the Department of Revenue, which is a process that started approximately 10 years ago of having community's do annual reports of the status of their TIDs. There is a requirement that the Joint Review Board meet every year to review the reports and they are filed with the Department of Revenue. While not

a requirement, the reports have always been reviewed by the Community Development Authority as best practice. Bremer reviewed the locations of each TID. Bremer reviewed the history of TID #3 with information from the report. TID #3 has passed its expenditure period and has been a successful TID and is scheduled to terminate in 2027.

b. Discussion regarding the 2023 Annual Report for Tax Increment District #4.

Bremer reviewed TID #4, it is referred to as the downtown TID, and is a blighted TID created in January of 2008. The Village previously requested a base value redetermination in 2015 from the Department of Revenue for this district which helped the financial performance by lowering the base value, and at the same time the Village approved an allocation amendment from TID #3 to make it a donor to TID #4. Giving the Village Board the authority to donate surplus funds from TID #3 to TID #4 on an as needed basis. Bremer reviewed the values, developments and debt obligations as included in the packet.

c. Discussion regarding the 2023 Annual Report for Tax Increment District #5.

Bremer reviewed the annual report for TID #5. This is the newest of the three TID's, it is a rehabilitation and conservation district. This TID was created in 2017 and the expenditure period runs through 2039 and it will close out in 2044. Bremer

summarized the projects and benefits of this TID with his report as included in the packet.

- d. Discussion and action to make a recommendation to the Village Board to approve the creation of Tax Increment District #6.

Bremer reviewed and discussed the draft project plan and maps for TID #6 as included in the packet with CDA members. It is a partial overlay of TID #3 and would be established as a blighted district. It would have an expenditure period of 22 years and a maximum life of 27 years with 118 parcels in the proposed district. Members discussed what would happen if there were a parcel of land in both TID #3 and TID #6, along with types of eligible expenditures, possible public work projects, site improvements and possible environmental studies as just a few of the options on which the funds may be spent.

Bremer reviewed the tables for the proposed TID district covering project cost summary, ineligible/estimate non-project costs, economic feasibility, projected income, projected annual performance, impact on overlay as included in the packets.

Brassington moved to make a recommendation to the Village Board to approve the creation of Tax Increment District #6. Yszenga seconded the motion. Motion carried 5-0.

- 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.

Bremer summarized how a TIF district can be amended to become a donor to another district along with reviewing the requirements needed to approve this with the information on the proposed project plan allocation amendment as provided in the packet.

Brassington moved 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. Hennes seconded the motion. Motion carried 5-0.

5. SCHEDULE NEXT MEETING DATE

- a. Tuesday, July 30, 2024 at 7:00 p.m. – TID #7 Public Information Meeting.
- b. Wednesday August 14, 2024 at 7:00 p.m. (regular meeting)

6. ADJOURNMENT

Zimmerman moved to adjourn. Hennes seconded the motion. Motion carried 5-0. Meeting adjourned at 8:16 p.m.



**VILLAGE OF
McFarland
SUMMARY SHEET**

MEETING DATE: Wednesday, August 14, 2024

SECTION: Business

DEPARTMENT: Community Development

CONTACT: Andrew Bremer, Comm & Eco Dev Director

AGENDA ITEM: Discussion regarding creation of Tax Incremental Finance District #7.

PREVIOUS ACTION:

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

6.4.24 Joint Review Board Organizational Meeting

6.18.24 Plan Commission Public Hearing

7.30.24 Public Informational Meeting

ISSUE SUMMARY:

Project update since the May 8, 2024 CDA Meeting

On May 8, the CDA met to review the proposed boundary and mixed-use district classification for TID #7. In addition, the CDA reviewed the general mechanics of how TIF districts are created and used by municipalities to encourage new development (refer below to the portion of the staff report summarizing the May 8th meeting). The Joint Review Board held their required organizational meeting on June 4 to elect the chairperson and public member positions for the proposed TID #7, as required under State Statute. The Plan Commission held the required public hearing on the creation of TID #7 at their June 18 meeting. Included in the packet is the draft Project Plan for Tax Increment Finance District No. 7. No changes have been made to the draft Project Plan since the June 18 Plan Commission Public Hearing. An additional Public Information Meeting for TID #7 was held on July 30. A link to the [meeting video](#) is available for viewing on the [Department's TIF website](#) for those that were not able to attend the meeting.

The purpose of the August 14th CDA meeting is to review the draft Project Plan and discuss any questions regarding the proposed TID, any desired amendments to the draft Project Plan, or any additional information committee members may desire from staff prior to considering making a recommendation to the Village Board. The Plan Commission will complete a similar discussion at their August 28th meeting. No action to make a recommendation to the Village Board is scheduled for either the August 14th CDA meeting or August 28th Plan Commission meeting.

After these meetings are completed, staff will update the draft Project Plan for future CDA and Plan Commission review and recommendation to the Village Board. These meetings are tentatively scheduled for the October 9 CDA meeting and October 15 Plan Commission meeting, subject to change.

Summary of Public Questions and Comments

A copy of the July 30th PIM presentation is included in the packet as it addresses many of the



questions the Department received prior to and during the July 30th PIM. Below is a high level summary of some additional questions received at the meeting related to TID #7 not already addressed in the meeting slides in some capacity. Staff responses are summarized below each question/topic but were also provided within the July 30th presentation and follow-up Q&A. Staff is working to consolidate all questions and responses into one FAQ.

Tax Incremental Financing Questions and Comments:

- Are the Village's existing TIDs (#3, #4, #5) expected to cash flow, and what are the property tax benefits of the TIDs, including TID #7, to the Village and other taxing entities?
 - Yes, all three TID's are currently projected to cash flow by their termination date. The cash flow projections are updated on an annual basis as part of the Village's budget creation, financial audits, annual reports filed with the Department of Revenue, and prior to approval of development agreements or large capital public works projects. These projections are routinely updated to understand whether projected revenues from the tax increment from the TID are projected to be sufficient to cover projected expenditures.
 - As of 2023, TID #3 has grown in value by ~\$78M since 2004, TID #4 has grown in value by ~\$9M since 2008, and TID #5 has grown in value by ~\$18M since creation in 2017. Prior to the creation of TID #3, the taxing jurisdictions cumulatively collected ~\$25K in annual taxes. Upon closure of the TID, the taxing jurisdictions are projected to cumulatively collect \$1.7M in annual taxes, including an annual increase of ~\$675K for the School District and ~\$633M for the Village General Fund.
 - The draft Project Plan for TID #7 projects a growth in property values from new development over the life of the TID by ~\$254M. Currently, the taxing jurisdictions cumulatively collect ~\$43K in annual taxes. Upon closure of the TID, the taxing jurisdictions are projected to cumulatively collect \$5.1M in annual taxes, including an annual increase of ~\$2.0M for the School District and ~\$1.9M for the Village General Fund. Refer to Table 8 of the draft Project Plan.

- Considering Interstate Partners already purchased some property in the TID, is a TID still necessary?
 - Yes. Acquisition of property by a developer is not an indication that the developer can privately fund all improvements on their property and the costs related to making public improvements (e.g. sewer, water, roads, etc.) on lands adjacent to their property necessary to support development of their property and surrounding properties. Through creation of the TID, the Village can utilize the tax increment revenues from new development in the TID to pay for projects it chooses to fund rather than as an expense levied on all property in the Village. The Village is also not obligated to spend all project costs within the TID Project Plan. The Village Board will decide on a case-by-case basis which projects to



fund and the amount of funding. Interstate Partners acquired the land with the knowledge that the Village's 2023 East Side Plan identifies the property for a future business park and also includes a recommendation to create a new TIF district to support the development of the business park.

- Are TIDs designed to solve some type of perceived financial problems of the Village?
 - No. Each TID has its own specific Project Plan that is used to carry out specific projects within the boundaries of the TID to make various improvements to support the new development created through the TID. Each TID has its own separate plans, budgets and audits separate from the Village's other capital and operational budgets.

- Would the Village be considering the TID if Interstate Partners hadn't bought the land?
 - Yes. The Village has identified the need to support the creation of an east side business park as early as the 2006 Comprehensive Plan. The Village's 2023 Economic Strategic Plan (page 30, Funding Action #1) and 2023 East Side Plan (Chapter 5, page 86, Action #2) includes recommendations to create a new TID to support the development of the business park with a recommended timeline of 2023-2025.

- How many Interstate Partners developments are supported by TIF districts, how many developments support light industrial uses, what amenities have they added to their developments?
 - According to Jeff Whipple (Interstate Partners), all but one. Most of their developments in the Wisconsin region are light industrial, with some Class A office and multi-family. Their Park 151 development included natural prairie plantings, an oak savana, bike trails, well landscaped roads and properties. Their market is Class A light industrial and they routinely include deed restrictions, above local zoning requirements, to ensure a high-quality business park.

- One of the maps in the TID 7 Project Plan lists business park in purple but also labels areas as industrial, which is it?
 - Business Park, but that can include light industrial uses. The 2023 East Side Plan defines areas planned as Business Park as office buildings, office-showrooms, warehouses, and light industrial buildings that may offer retail, trade, or services for individuals or businesses (Chapter 4, page 68). The specific types of allowable businesses will be regulated by the Village's Zoning Code. The East Side Plan includes a recommended action to consider creating a new business



park zoning district, including codifying site and building design guidelines in Chapter 2 (Chapter 5, Action #4, page 87). The Village is planning to complete a comprehensive update to the Zoning Code starting later this year and continuing into 2025. The creation of a new business park zoning district can be included in that project or considered as a separate project if there is a desire to separate as an individual project. Creation of the new zoning district is not required prior to creation of the TID. Most light industrial buildings are going to include some mix of office spaces, production and assembly spaces, warehousing spaces and loading docks. The labeling of the maps in the draft Project Plan can be adjusted as part of future revisions prior to consideration of adoption to help clarify this.

- Where is power for the planned business park going to come from?
 - There is already an existing Wisconsin Power & Light electrical substation at 3451 Sigelkow Road within the proposed TID boundary. Individual developers will work with utility companies to provide sufficient electric and natural gas services for their developments.

- What are the roles and sequence of review and action by the Community Development Authority, Plan Commission, Village Board and Joint Review Board regarding creation of the proposed TIDs.
 - Both the CDA and Plan Commission will provide separate recommendations to the Village Board. Once these recommendations have been completed, the creation of the proposed TID will go to the Village Board for action. The recommendations from the CDA and Plan Commission are advisory only and not binding on the final Village Board action. If the proposed TID is approved by the Village Board, then it will go to the Joint Review Board for final action. The decision of the Village Board is not binding on the final Joint Review Board action.

- What happens if the Village moves forward with the creation of the TID and buildings sit empty and we can't find businesses to fill these spaces? Will the Village have to accept any business?
 - The primary responsibility to lease new buildings lies with the developer and owner of those buildings. For any developments that request TIF assistance, the developer is required to provide a development agreement with the Village including an assessment guarantee. The types of business that may occupy the TID will be regulated by the applicable zoning district the Village approves for each property at its sole discretion. Narrowly defining the TID only for one or two particular types of uses, for example office buildings only, could have a negative impact on the viability of the TID as there may not be sufficient market



viability for that use, thus slowing or delaying the collection of tax increment revenues from new development.

Land Use Related Questions and Comments:

- Would any future multi-family developments in TID #7 be designated as Section 8 housing or Section 42 housing?
 - Creation of the TID does not determine whether future individual housing projects will be either Section 8 (voucher) or Section 42 (low income housing tax credit). The Village does not administer its own local Section 8 housing voucher program or own and manage any Section 8 housing. The Dane County Housing Authority administers the Housing Choice Voucher (HCV) Program in Dane County, including coverage for the Village of McFarland, for those private landlords interested in listing their units with DCHA. The HCV Program helps low income families, the elderly, and disabled afford decent, safe, and sanitary housing. Individual developers of multi-family apartments decide whether they are interested in obtaining Section 42 tax credits to fund individual development projects. These projects are typically funded through the Wisconsin Housing and Economic Development Authority (WHEDA) and Dane County Affordable Housing Fund. The Village regulates the location, density and design of multi-family developments and maintains fair housing ordinances.

- Traffic, pedestrian, and bicycle safety is already a concern on Siggelkow Road, how is the Village planning to address this, including at CTH AB or west of the TID?
 - The Village is planning to complete a traffic study as part of the engineering designs for improvements to Siggelkow Road as part of initial projects if the TID is approved. One of the eligible expenditures identified in the TID Project Plan is the reconstruction of Siggelkow Road from approximately Catalina Parkway to CTH AB. The Project Plan suggests breaking up this project into multiple phases, per the recommendations within the East Side Plan (Chapter 5, page 88), to phase the improvements with the pace of new development. Improving this portion of Siggelkow Road will be necessary to support future development of the east side, whether for non-residential, residential, or a mix of both types of uses. This is similar to how portions of Siggelkow Road to the west were reconstructed with the development of adjacent residential subdivisions. Through the creation of the TID, the Village can use future tax increments from new development within the TID to pay for the portion of these costs within the TID and its one-half mile boundary. Absent the TID, the entire cost of this project would likely be a capital cost levied on all property owners in the Village. The final design for these improvements has not been completed. The design of these improvements is included in the draft Project Plan as an eligible expense to be reimbursed through future tax increments from new development in the TID. If the engineering designs are completed prior to the creation of the TID, those



costs are not eligible to be reimbursed by future tax increments from new development in the TID. Similarly, the Village intends to complete additional traffic studies of Siggelkow Road as part of the engineering designs. The costs for this study are a reimbursable expense through future tax increments from new development. Given the proximity of the proposed business park to the Interstate, and the improvements to the Hwy 12/18 & CTH AB interchange, the shortest route to the Interstate and the Beltline is to travel east along Siggelkow Road. The Village can also consider additional mitigation measures such as designating no truck routes as needed for portions of Siggelkow Road from Valley Drive to Catalina Parkway, or other intersection improvements to enhance safe operations for all types of users.

- The Village has already begun the process of engaging with the Dane County Highway Department on future improvements to this intersection. Improvements to this intersection will be necessary to support future development of the east side, whether for non-residential, residential, or a mix of both types of uses as the Village continues to grow. Engineer and traffic studies can determine what type of intersection improvements may be necessary to meet future traffic demands and improve intersection safety.
- The Village's Comprehensive Plan and East Side Plan identify opportunities to improve off-street trails in other areas outside of TID #7 as a potential General Fund expense. These are considered for implementation on a case-by-case basis by the Village Board as part of the Village's Capital Improvement Plan and annual Budget.
- The Village plans to add an off-street recreational trail from the existing trail in Juniper Ridge, east to the Village's new CTH AB Community Park. The 2023 East Side Plan recommends the creation of a 10-wide trail along the south side of Siggelkow Road and sidewalk on the north side of Siggelkow Road, in addition to on-street bike lanes similar to how portions of Siggelkow Road to the west were reconstructed. The tax increment from new development within the TID can be used to pay for the portion of this project within the TID, and its one-half mile boundary. Absent the TID, the entire cost of this project would be a capital cost levied on all property owners in the Village. Eligible project expenses within the TID also include pedestrian and bicycle safety amenities such as Rectangular Rapid Flash Beacons that have been used in other areas of Siggelkow Road. Improvements to other portions of Siggelkow Road to the west (e.g. conversion of sidewalks to wider off-street paths, intersection improvements, etc.) can also be considered by the Village as needed. The Village has studied and then implemented improvements to these portions of Siggelkow Road in the past to improve vehicle, bicycle and pedestrian safety and can continue improvements as needed in the future.
- In 2018, the Village did a review of all intersections along Siggelkow Road with the City of Madison to determine potential roadway and safety enhancements. These types of studies will continue as needed in the future.



- Connections of existing residential dead-end streets in Secret Places to proposed streets in the business park and the potential for trucks to make wrong turns and deviate from the primary entrances into the proposed business park.
 - The 2023 East Side Plan does not suggest the need to connect all existing dead end streets to new streets in the proposed business park. It does suggest some connections maybe appropriate where the adjacent development is residential development or neighborhood retail, so non-residential traffic does not have to use Siggelkow Road. Traffic calming measures, devices, and signage could be utilized to discourage or prohibit non-residential traffic from using these connections. Future connections to these roads could also just be via recreational trails at the end of cul-du-sacs and not through roads as is also suggested in the East Side Plan. Trail connections would still allow bicycle and pedestrian users to travel east-west to businesses, homes, or parks. Future connections can be coordinated with the City of Madison. These details can be addressed when specific subdivision, zoning, and site design review zoning applications are submitted for proposed developments in the TID.

- How can the Village address potential nuisances from new businesses (noise, odor, light, appearance, etc.)?
 - Zoning can be used to mitigate these types of concerns. Policy #2 within the Business Park classification of the East Side Plan (Chapter 4, page 68), states "nuisance" uses (noise, odor, appearance, traffic, or other impacts) shall be designed to mitigate potential impacts on adjacent residential zoned properties or other non-residential zoned lots with similar character. The recommendations in Chapter 5 (page 83) also state to consider higher-intensity residential format between the single-family home neighborhood and the business park (i.e., transitional uses). Otherwise, consider open space buffering (e.g. stormwater, park, trail corridor) or intensive screening along the back of developable lots. Through zoning, the Village can regulate hours of operation, outdoor storage or processing of materials, the intensity and design of site and building lighting, fencing, landscaping and the appearance of buildings. The Village also has existing noise ordinances to address noise from all properties in the Village. The East Side Plan also calls for using stormwater, medium density residential, and landscape buffers between non-residential and residential uses. These details are shown in the TID Project Plan proposed land use and project location map.

- Are there plans to add a new direct interchange from the Interstate at Siggelkow Road or CTH MN crossings?
 - No. While past Village plans have advocated for a new interchange to serve the east side of the Village, the WisDOT has historically not wanted to advance a project of this nature for various reasons. The Village's [2017 Comprehensive Plan \(Volume 2, page 55\)](#) provides additional background for moving away from this initiative.



- Where the Village has existing "no truck" street signs, such as on Terminal Drive, are those effective are truck drivers obeying those signs?
 - The majority of truck traffic on Terminal Drive does enter and exit from the Terminal Drive and USH 51 intersection. If repeated issues arise with trucks from any particular business that are not obeying the street restrictions, the Village can work with representatives of that business to improve compliance.

Summary from the May 8, 2024 CDA Staff Report

The last new business park created in McFarland was the Badger Business Park in 2000, consisting of seven lots encompassing McFarland Court (TID #3). The pace of new commercial and industrial building development in McFarland has been significantly hampered by the lack of available buildable lots for this type of development. From 2014 through 2023 the Village approved a total of 28 new commercial and industrial building permits (not including additions or alterations), or less than three per year. However, a large portion of these permits includes multiple commercial storage unit buildings that were part of a condominium, accessory buildings, or public improvements (e.g. school or Village park shelters that are classified as a "commercial" building permit). Subtracting these from the total, only 8 new commercial buildings were constructed from 2014-2023, of which three were mixed-use buildings and one was a replacement of an existing building. As of January 1, 2024, there are only five vacant commercially zoned properties in the Village's existing urban service area boundary.

The proposed area for TID #7 is along the north and south sides of Siggelkow Road within the Village's East Side Neighborhood. Jeff Whipple from [Interstate Partners](#) has prepared the proposed boundary map with input from staff. Interstate Partners acquired [60-acres of farmland](#) near the Hope Rod & Gun Club last year with the intent of pursuing the development of a new business park in McFarland. Jeff talked about this potential development at a joint PC/CDA preapplication meeting on [November 21st, 2023](#). The packet also includes a preliminary map of proposed uses and a copy of the Future Land Use Map from the Village's [East Side Neighborhood Plan](#). No official development applications have been submitted to the Village to date. Interstate Partners is still working with their civil engineer to design the development of the property for future Village review and approval.

Staff has created a [website to explain Tax Increment Financing](#), including links to some third party videos, brochures and FAQs. Tax Increment Financing (TIF) is the most commonly and widely used economic development tool for municipalities in the State and has been in existence since 1976. The process to create, manage, amend, and close TIF districts (TIDs) is regulated under [Wis. Statute 66.1105](#). The Wisconsin Department of Revenue provides State oversight of TIF districts. According to the DOR, there are 1,390 active TIDs in the State. The DOR maintains a [TIF Manual](#) for those inserted in a deeper dive into the TIF mechanics, processes and requirements. Common definitions and terms related to Tax Increment Financing:

- TIF (Tax Increment Financing). An economic development financing tool.
- TID (Tax Increment District). The area/boundary where TIF is used.

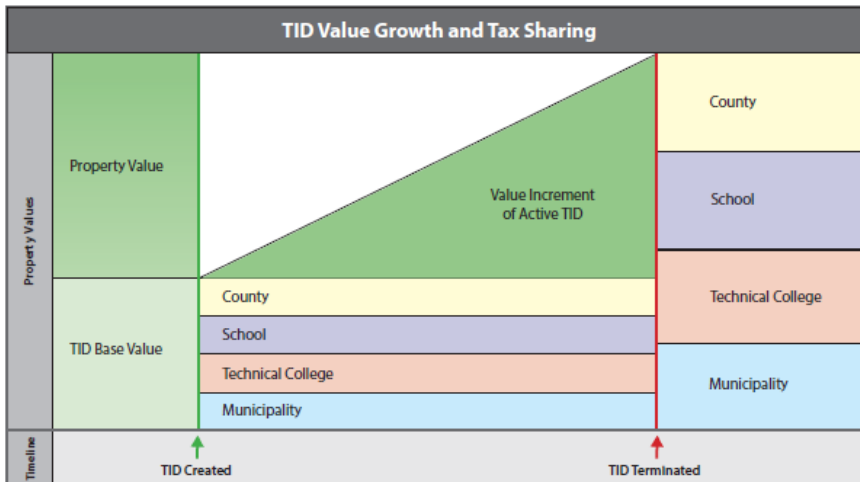
- **Project Plan.** A document explaining the financial details, development plans and maps for the TID.
- **Base Value.** The total value, as equalized by DOR, of the real property located within the TID as of the creation date of the TID.
- **Current Value.** The total equalized value of the real property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

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

B. How TIF Works

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

1. Sharing the tax base



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

Generally speaking, there are five types of TIDs: Industrial (15/20), Mixed-Use (15/20), Blighted (22/27), Rehabilitation & Conservation (22/27), and Environmental (22/27). Each type



of TID has a maximum expenditure period (first value) and maximum life (second value). The maximum expenditure period is the time during the life of a TID where the municipality may complete projects within the TID, including public works projects or development incentives.

During the remaining five years of the TID, a municipality may only continue to pay down existing TID related debt service and pay for administrative, organizational, legal and accounting services related to managing the TID. The declaration of TID type is based on the type of land that makes up 50% or more of the area in the TID. The proposed TID boundary corresponds with areas identified for Business Park, Mixed-Use, and Medium Density Residential in the Village's 2023 East Side Neighborhood Plan. Based on the Proposed Uses Map in the packet, TID 7 is proposed as a Mixed-Use TID. Mixed-Use districts include a combination of residential, commercial, and industrial uses.

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

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

Other customary TID boundary creation requirements include that only properties within the municipality can be included in the TID, only whole parcels can be included, and the boundaries of the TID must be continuous. The draft TID 7 boundary map follows these state statute requirements. There are 10 proposed properties for inclusion in TID 7 totaling 228 acres. The total Base Value (current assessment values) is approximately \$2M. State Statute requires that the total assessment value of parcels proposed for inclusion in a new TID, plus the Value Increment of all existing TIDs in the municipality (\$105,406,200), can't exceed 12% of the Total Equalized Value of properties in the municipality (\$1,617,865,600). This is known as the 12% compliance test. According to the DOR, the Village's 2023 percentage is 6.52%. The creation of TIDs 6 & 7 is anticipated to increase this value to approximately 8%. Thus, even with the creation of TIDs 6 & 7, the Village will have remaining capacity to create or amend existing TIDs in the future.



It is important to note, that the creation of a TID in itself does not create specific obligations of the municipality in terms of approval of certain development proposals or the expenditure of funding. Those decisions are made on a case-by-case basis after the TID is created.

Updated Project Schedule (subject to change)

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

- May 8 CDA meeting to review draft TID boundary
- May 21 Plan Commission meeting to review draft TID boundary
- **June 4 Joint Review Board organizational meeting**
- **June 18 Plan Commission meeting to hold a public hearing on TID Project Plan**
- August 14 CDA meeting to review the draft TID Project Plan
- August 28 Plan Commission meeting to review the draft TID Project Plan
- October 9 CDA (tentative) meeting to recommend the draft TID Project Plan
- **October 15 (tentative) Plan Commission meeting to recommend the TID Project Plan**
- **October 22 (tentative) Village Board meeting to approve the TID Project Plan**
- **TBD Joint Review Board meeting to approve the TID Project Plan (must occur within 45 days of Village Board approval)**

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

[2023-2024 Village Board Strategic Plan:](#)

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

[2023 East Side Neighborhood Plan.](#) This plan identifies the area proposed for TID #7 primarily for future Business Park uses, but also including Medium Density Residential, Civic/Institutional/Utilities, and Mixed Use (High Density Residential and/or Commercial).



Chapter 5 of the plan provides specific recommendations regarding the creation of the east side business park, including creation of a tax increment finance district.

[2023 Economic Strategic Plan](#). This plan includes a strategy to expand commercial and industrial land base of the Village, including creation of an east-side business park supported through the creation of a new Tax Increment Finance District. The plan identifies a need for 40-100 acres of light industrial development and 2-5 acres of commercial development. The plan recommends focusing on sectors supported by the Madison Region Economic Partnership (MadREP) Advance 2.0 including advanced manufacturing, bioscience, ag/food/beverage, information technology, and healthcare.

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:

This agenda item is presented for discussion only. The purpose of the August 14th CDA meeting is to review the draft Project Plan and discuss any questions regarding the proposed TID, any desired amendments to the draft Project Plan, or any additional information committee members may desire from staff prior to considering making a recommendation to the Village Board at a future meeting.

ATTACHMENTS:

1. TID #7 Project Plan Creation_Draft 06052024
2. TID 7 PIM Presentation_07.30.24



PROJECT PLAN

Creation of Tax Incremental Finance District No. 7

Drafted: June 5, 2024

District Type	Mixed Use
Creation Date	XX/XX/2024
Expenditure Period	XX/XX/2039
Termination Date	XX/XX/2044
Remaining Territory Amendments	4

PROJECT PLAN
Creation of Tax Incremental Finance District No. 7
Village of McFarland, WI

Draft

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

- Appendix A: TID No. 7 Maps
- Appendix B: Boundary Description
- Appendix C: Letters to Taxing Jurisdictions
- Appendix D: Letter to Parcel Landowners
- Appendix E: Affidavit of Publications
- Appendix F: Meeting Minutes
- Appendix G: Resolutions
- Appendix H: Joint Review Board Letter of Approval
- Appendix I: Legal Opinion

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. 7 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	Community Development Authority review of proposed TID Project Plan and Map.
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 9, 2024	Village Board review of draft TID Project Plan and Map.
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. 7 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. 7 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. 7. The Creation of TID No. 7 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. 7, 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. 7 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. 7 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. 7 is declared to be a "Mixed-use District" and at least 50% of the land in TID No. 7 has been classified as a mixed-use area, as defined in s.66.1105(2)(cm).
- 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.
- The estimated percentage of the territory within the District that is devoted to newly platted residential land use will not exceed 35% at the end of the District's expenditure period and the density of newly platted residential housing will be at least three units per acre.

Section 3. District Description

Tax Incremental District No. 7 is being created by the Village of McFarland as a “Mixed-use 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 mixed-use development.

Boundary Description

The boundary for the newly designated TID No. 7 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. 7 has been classified as a mixed-use area, as defined in s.66.1105(2)(cm).

A map identifying the boundaries for the newly designated TID No. 7 is provided in Appendix A and a legal description of the TID boundary is provided in Appendix B. The location of TID No. 7 is within the Village’s East Side Neighborhood. In 2023, the Village updated its prior 2008 East Side Neighborhood plan as an amendment to the Village’s Comprehensive Plan. This plan update included the identification of a new business park in the areas proposed for TID No. 7. A map showing the East Side Neighborhood Plan Future Land Uses is included in Appendix A.

Tax Parcels

The following whole tax parcels will be included in the newly designated TID No. 7:

Table 2: List of Parcels Included in TID No. 7

Parcel ID from Map 1	Parcel Number	Parcel Address	Total Acres	Existing Land Use	Existing Zoning	Assessed Land Value (2024)	Assessed Improvement Value (2024)	Total Assessed Value (2024)
A	071026496311		32.6	Agriculture/Open Space	A1-EX*	\$ 11,700	\$ -	\$ 11,700
B	071035180101	3341 Storck Road	40.3	Agriculture	A1-EX*	\$ 13,200	\$ -	\$ 13,200
C	071036290901	3341 Storck Road	26.4	Single Family/Agriculture	A1-EX*	\$ 102,000	\$ 375,900	\$ 477,900
D	071036290501	3372 Storck Road	22.9	Single Family/Agriculture	A1-EX*	\$ 76,100	\$ 216,000	\$ 292,100
E	071035480011	3451 Siggelkow Road	5.0	Utility	A1	\$ -	\$ -	\$ -
F	071035483411		8.0	Open Space	A1	\$ -	\$ -	\$ -
G	071036391111		60.4	Agriculture	A1-EX*	\$ 25,600	\$ -	\$ 25,600
H	071036385411	3451 Siggelkow Road	9.6	Single Family/Open Space	A1	\$ 80,600	\$ 181,600	\$ 262,200
I	071036382111	3383 Siggelkow Road	15.2	Single Family/Agriculture	RH-1	\$ 127,400	\$ 537,900	\$ 665,300
J	071036380961	3365 Siggelkow Road	7.1	Single Family/Agriculture	RH-1	\$ 129,600	\$ 285,700	\$ 415,300
			227.4			\$ 566,200	\$ 1,597,100	\$ 2,163,300

*Properties are zoned A1-Exclusive under the Dane County Zoning Code as administered by the Village of McFarland.

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. 7, as of January 1, 2024, is \$2,163,300. 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. Table 3 indicates that creation of TID No. 7 may bring the Village’s TID to total municipal value ratio to approximately 6.65%, 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. 7	\$2,163,300
Total Net New Value + Existing TIF Value Increment	\$107,569,500
Percentage of Equalized Value	6.65%

At the same time the Village is proposing to create TID No. 7, the Village is also proposing to create a new TID No. 6 district, a partial overlay of existing TID No. 3. The total net new value for TID No. 6 is \$21,414,900. 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. 7. These projects will be undertaken within the first 15 years of the TID’s existence (i.e. through 2039), 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. 7. 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, East Side Neighborhood 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. No cash grants or loans will be provided until a developer agreement has been signed between the developer and the Village.

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. 7 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. 7, 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. 7 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. 7 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. 7. 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. 7 Project Plan, the Village’s Comprehensive Plan, other existing plans and policies of the Village, and public input.

A map identifying project locations in TID No. 7 is provided in Appendix A. 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. 7, 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. 7 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. Years of capital expenditures are estimates based in part on the Village’s Capital Improvement Plan.

Table 4: Proposed TID Project Costs

Project Categories	Estimated Project Cost	Others Share of Cost*	TID Share of Cost
A. Infrastructure for (Re)Development of the District	\$19,848,000	\$2,633,081	\$17,214,919
2024 Siggelkow Road & Utility Engineering Design	\$125,000	\$0	\$125,000
2025 Phase 1 Internal Roads, Utilities and Ponds	\$3,410,000	\$0	\$3,410,000
2026 Phase 2 Internal Roads, Utilities and Ponds	\$810,000	\$0	\$810,000
2027 Phase 1 Siggelkow Road & Trail (Catalina To TID eastern boundary)	\$3,094,683	\$0	\$3,094,683
2030 Phase 3 Internal Roads, Utilities and Ponds	\$4,824,500	\$2,633,081	\$2,191,419
2032 Phase 2 Siggelkow Road (Eastern TID Boundary to CTH AB)**	\$5,968,317	\$0	\$5,968,317
2034 Phase 4 Internal Roads, Utilities, and Ponds	\$1,615,500	\$0	\$1,615,500
B. Streetscaping Improvements	\$250,000	\$0	\$250,000
C. Site Improvements	\$250,000	\$0	\$250,000
D. Environmental Studies and Remediation	\$250,000	\$0	\$250,000
E. Real Estate Inspections, Acquisition, Vacating, and Relocation for Public Works and Other TID Eligible Projects	\$2,600,000	\$0	\$2,600,000
F. Development Funds/Incentives	\$10,557,435	\$0	\$10,557,435
G. Planning, Promotion & Development	\$150,000	\$0	\$150,000
H. Contributions to a Community Development Authority (CDA) or Redevelopment Authority (RDA)	\$0	\$0	\$0
I. Administrative/Organizational Costs	\$1,975,000	\$0	\$1,975,000
J. Financing Costs	\$8,489,748	\$0	\$8,489,748
Subtotal	\$ 44,370,183	\$ 2,633,081	\$41,737,102

*Includes portions of projects within the City of Madison or outside the TID ½ mile boundary

**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. 7 is limited to July 23, 2024 through July 23, 2039. 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. Table 4 identifies an estimated \$2,633,081 in non-project costs for improvements to Siggelkow Road that are either partially within the City of Madison or outside the ½-mile TID boundary.

Section 7. Economic Feasibility

The projected income of TID No. 7, 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. 7, certain assumptions have been made for each of these critical components.

New Development Activities

The TID is projected to realize \$211,148,700 in new development value over its anticipated 20-year life. Table 5 provides a summary of potential development opportunities within TID #7. This new value is projected to come from the development of parcels within the District. The determination of parcels identified for new development is based on the Village's East Side Neighborhood Plan. It is anticipated that some of the parcels listed in Table 5 may not experience any (re)development during the TID lifetime, while others not listed may. Redevelopment years are also an approximation based, in part, on the anticipated schedule of known (re)development projects, landownership, 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 #7 and the identification of proposed types of new development (e.g. light industrial/office, commercial, and multi-family) 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 5 are based on the Village’s 2023 East Side Neighborhood 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 the East Side Neighborhood Plan, 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. zoning to Planned Unit Development District or Commercial Park District).

Table 5: New Development Activities

Estimated Construction Year	Phase	Type of New Development	Acres	Comm/Ind Building Size	Comm/Ind Construction Values/Acre or BLDG SF	MF Units	MF Value/Acre or Unit	New Development Value	Base Value	Est. Growth in New Development Value
2025	1	Business Park Land Improvements	50.50		\$ 160,000			\$ 8,080,000	\$ 287,800	\$ 7,792,200
2025	1	Light Industrial/Office	10.10	175,000	\$ 65			\$ 11,375,000	\$ -	\$ 11,375,000
2026	2	Multi-Family Land Improvements	13.00			260	\$ 10,000	\$ 2,600,000	\$ 11,700	\$ 2,588,300
2027	1	Light Industrial/Office	10.10	145,000	\$ 65			\$ 9,425,000	\$ -	\$ 9,425,000
2027	2	Multi-Family Consturction	13.00			130	\$ 130,000	\$ 16,900,000	\$ -	\$ 16,900,000
2028	2	Multi-Family Consturction	13.00			130	\$ 130,000	\$ 16,900,000	\$ -	\$ 16,900,000
2029	1	Light Industrial/Office	10.10	175000	\$ 65			\$ 11,375,000	\$ -	\$ 11,375,000
2030	3	Business Park Land Improvements	65.00		\$ 160,000			\$ 10,400,000	\$ 783,200	\$ 9,616,800
2030	3	Multi-Family Land Improvements	12.00			210	\$ 10,000	\$ 2,100,000	\$ -	\$ 2,100,000
2030	3	Commercial Land Improvements	3.60		\$ 225,000			\$ 810,000	\$ -	\$ 810,000
2031	1	Light Industrial/Office	10.10	145000	\$ 65			\$ 9,425,000	\$ -	\$ 9,425,000
2032	3	Multi-Family Construction	6.00			105	\$ 130,000	\$ 13,650,000	\$ -	\$ 13,650,000
2032	3	Light Industrial/Office	8.23	100000	\$ 65			\$ 6,500,000	\$ -	\$ 6,500,000
2033	3	Multi-Family Construction	6.00			105	\$ 130,000	\$ 13,650,000	\$ -	\$ 13,650,000
2033	1	Light Industrial/Office	10.10	140000	\$ 65			\$ 9,100,000	\$ -	\$ 9,100,000
2034	3	Light Industrial/Office	8.23	150000	\$ 65			\$ 9,750,000	\$ -	\$ 9,750,000
2034	4	Business Park Land Improvements	6.70		\$ 160,000			\$ 1,072,000	\$ 540,300	\$ 531,700
2034	4	Multi-Family Land Improvements	9.00			135	\$ 10,000	\$ 1,350,000	\$ 540,300	\$ 809,700
2035	4	Multi-Family Construction	4.50			68	\$ 130,000	\$ 8,840,000	\$ -	\$ 8,840,000
2035	3	Commercial Construction	3.60	4	\$ 1,000,000			\$ 3,600,000	\$ -	\$ 3,600,000
2036	3	Light Industrial/Office	8.23	100000	\$ 65			\$ 6,500,000	\$ -	\$ 6,500,000
2037	4	Multi-Family Construction	4.50			67	\$ 130,000	\$ 8,710,000	\$ -	\$ 8,710,000
2038	3	Light Industrial/Office	8.23	150000	\$ 65			\$ 9,750,000	\$ -	\$ 9,750,000
2039	4	Light Industrial/Office	6.70	80000	\$ 65			\$ 5,200,000	\$ -	\$ 5,200,000
2040	3	Light Industrial/Office	8.23	150000	\$ 65			\$ 9,750,000	\$ -	\$ 9,750,000
2041	3	Light Industrial/Office	8.23	100000	\$ 65			\$ 6,500,000	\$ -	\$ 6,500,000
								\$ 213,312,000	\$ 2,163,300	\$ 211,148,700

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 average 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.

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Table 6: TID No. 7 Projected Income

Village of McFarland		TID #7								
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
2024	\$2,163,300	\$0	\$2,163,300	\$32,450	\$2,195,750	\$32,450	2025	\$20.00	\$649	2026
2025	\$2,195,750	\$19,167,200	\$21,362,950	\$32,936	\$21,395,886	\$19,232,586	2026	\$20.00	\$384,652	2027
2026	\$21,395,886	\$2,588,300	\$23,984,186	\$320,938	\$24,305,124	\$22,141,824	2027	\$20.00	\$442,836	2028
2027	\$24,305,124	\$26,325,000	\$50,630,124	\$364,577	\$50,994,701	\$48,831,401	2028	\$20.00	\$976,628	2029
2028	\$50,994,701	\$16,900,000	\$67,894,701	\$764,921	\$68,659,621	\$66,496,321	2029	\$20.00	\$1,329,926	2030
2029	\$68,659,621	\$11,375,000	\$80,034,621	\$1,029,894	\$81,064,516	\$78,901,216	2030	\$20.00	\$1,578,024	2031
2030	\$81,064,516	\$12,526,800	\$93,591,316	\$1,215,968	\$94,807,283	\$92,643,983	2031	\$20.00	\$1,852,880	2032
2031	\$94,807,283	\$9,425,000	\$104,232,283	\$1,422,109	\$105,654,393	\$103,491,093	2032	\$20.00	\$2,069,822	2033
2032	\$105,654,393	\$20,150,000	\$125,804,393	\$1,584,816	\$127,389,209	\$125,225,909	2033	\$20.00	\$2,504,518	2034
2033	\$127,389,209	\$22,750,000	\$150,139,209	\$1,910,838	\$152,050,047	\$149,886,747	2034	\$20.00	\$2,997,735	2035
2034	\$152,050,047	\$11,091,400	\$163,141,447	\$2,280,751	\$165,422,197	\$163,258,897	2035	\$20.00	\$3,265,178	2036
2035	\$165,422,197	\$12,440,000	\$177,862,197	\$2,481,333	\$180,343,530	\$178,180,230	2036	\$20.00	\$3,563,605	2037
2036	\$180,343,530	\$6,500,000	\$186,843,530	\$2,705,153	\$189,548,683	\$187,385,383	2037	\$20.00	\$3,747,708	2038
2037	\$189,548,683	\$8,710,000	\$198,258,683	\$2,843,230	\$201,101,914	\$198,938,614	2038	\$20.00	\$3,978,772	2039
2038	\$201,101,914	\$9,750,000	\$210,851,914	\$3,016,529	\$213,868,442	\$211,705,142	2039	\$20.00	\$4,234,103	2040
2039	\$213,868,442	\$5,200,000	\$219,068,442	\$3,208,027	\$222,276,469	\$220,113,169	2040	\$20.00	\$4,402,263	2041
2040	\$222,276,469	\$9,750,000	\$232,026,469	\$3,334,147	\$235,360,616	\$233,197,316	2041	\$20.00	\$4,663,946	2042
2041	\$235,360,616	\$6,500,000	\$241,860,616	\$3,530,409	\$245,391,025	\$243,227,725	2042	\$20.00	\$4,864,555	2043
2042	\$245,391,025	\$0	\$245,391,025	\$3,680,865	\$249,071,891	\$246,908,591	2043	\$20.00	\$4,938,172	2044
2043	\$249,071,891	\$0	\$249,071,891	\$3,736,078	\$252,807,969	\$250,644,669	2044	\$20.00	x	2045
2044	\$252,807,969	\$0	\$252,807,969	\$3,792,120	\$256,600,088	\$254,436,788	2045	\$20.00	x	2046
TOTAL		\$211,148,700		\$43,288,088					\$51,795,972	

Assumptions

Initial Base Value	\$2,163,300
Annual Rate of Inflation	1.50%
Tax Rate (Avg./Year)	\$20.00
New Development	\$211,148,700
Final Total Value	\$256,600,088

Projected Annual Performance

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

- Tax Increment Generated: \$51,795,972 - This represents the total expected increase in tax revenue within the TIF district over a specified period.
- Total Principal for Public Works Projects: \$20,564,919 - This indicates the overall amount of funds allocated for infrastructure and community development projects (Table 4, Projects A-E) within the district.
- Total Development Incentives: \$10,557,435 - 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.
- Interest Rate: 5.00% - This is the interest rate applied to the principal amount (Projects A-F), often determined by the Wisconsin Board of Commissioners of Public Lands (BCPL) or similar authority.
- Total Interest Payments: \$8,489,748 - 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 Administrative & Planning Costs: \$2,125,000 - 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. 7 Projected Annual Performance

Village of McFarland TID #7												
L	M	N	O	P	Q	R	S	T	U	V	W	X
PAYMENT YEAR	CAPITAL EXPENDITURE COSTS ¹	ANNUAL DEBT SERVICE ²	INTEREST ON ADVANCES ³	ADMIN & OTHER COSTS ⁴	TOTAL USES TID FUNDS	TAX INCREMENT COLLECTED	DEBT PROCEEDS ⁵	OTHER INCOME ⁶	INVESTM INCOME ⁷	TOTAL SOURCES TID FUNDS	ANNUAL CASH FLOW	TID FUND BALANCE
2024	\$125,000	\$0	\$0	\$25,000	\$150,000	\$0	\$125,000	\$0	\$0	\$125,000	(\$25,000)	(\$25,000)
2025	\$6,824,359	\$15,910	\$0	\$50,000	\$6,890,269	\$0	\$6,824,359	\$0	\$0	\$6,824,359	(\$65,910)	(\$90,910)
2026	\$4,224,359	\$884,505	\$0	\$75,000	\$5,183,864	\$649	\$4,224,359	\$0	\$0	\$4,225,008	(\$958,856)	(\$1,049,766)
2027	\$3,219,683	\$1,422,175	\$0	\$100,000	\$4,741,858	\$384,652	\$3,219,683	\$0	\$0	\$3,604,335	(\$1,137,524)	(\$2,187,289)
2028	\$0	\$1,831,972	\$0	\$125,000	\$1,956,972	\$442,836	\$0	\$0	\$0	\$442,836	(\$1,514,136)	(\$3,701,425)
2029	\$0	\$1,831,972	\$0	\$125,000	\$1,956,972	\$976,628	\$0	\$0	\$0	\$976,628	(\$980,344)	(\$4,681,769)
2030	\$5,605,777	\$1,831,972	\$0	\$125,000	\$7,562,750	\$1,329,926	\$5,605,777	\$0	\$0	\$6,935,704	(\$627,046)	(\$5,308,815)
2031	\$0	\$2,545,468	\$0	\$125,000	\$2,670,468	\$1,578,024	\$0	\$0	\$0	\$1,578,024	(\$1,092,443)	(\$6,401,258)
2032	\$6,093,317	\$3,321,017	\$0	\$125,000	\$9,539,334	\$1,852,880	\$6,093,317	\$0	\$0	\$7,946,197	(\$1,593,137)	(\$7,994,395)
2033	\$0	\$3,321,017	\$0	\$125,000	\$3,446,017	\$2,069,822	\$0	\$0	\$0	\$2,069,822	(\$1,376,195)	(\$9,370,590)
2034	\$5,029,859	\$3,321,017	\$0	\$125,000	\$8,475,875	\$2,504,518	\$5,029,859	\$0	\$0	\$7,534,377	(\$941,499)	(\$10,312,088)
2035	\$0	\$3,945,300	\$0	\$125,000	\$4,070,300	\$2,997,735	\$0	\$0	\$0	\$2,997,735	(\$1,072,565)	(\$11,384,654)
2036	\$0	\$3,076,705	\$0	\$125,000	\$3,201,705	\$3,265,178	\$0	\$0	\$0	\$3,265,178	\$63,473	(\$11,321,181)
2037	\$0	\$2,539,035	\$0	\$125,000	\$2,664,035	\$3,563,605	\$0	\$0	\$0	\$3,563,605	\$899,570	(\$10,421,612)
2038	\$0	\$2,129,238	\$0	\$125,000	\$2,254,238	\$3,747,708	\$0	\$0	\$0	\$3,747,708	\$1,493,470	(\$8,928,142)
2039	\$0	\$2,129,238	\$0	\$125,000	\$2,254,238	\$3,978,772	\$0	\$0	\$0	\$3,978,772	\$1,724,534	(\$7,203,608)
2040	\$0	\$2,129,238	\$0	\$75,000	\$2,204,238	\$4,234,103	\$0	\$0	\$0	\$4,234,103	\$2,029,865	(\$5,173,743)
2041	\$0	\$1,415,742	\$0	\$75,000	\$1,490,742	\$4,402,263	\$0	\$0	\$0	\$4,402,263	\$2,911,521	(\$2,262,222)
2042	\$0	\$640,193	\$0	\$75,000	\$715,193	\$4,663,946	\$0	\$0	\$0	\$4,663,946	\$3,948,753	\$1,686,531
2043	\$0	\$640,193	\$0	\$75,000	\$715,193	\$4,864,555	\$0	\$0	\$8,433	\$4,872,987	\$4,157,794	\$5,844,324
2044	\$0	\$640,193	\$0	\$75,000	\$715,193	\$4,938,172	\$0	\$0	\$29,222	\$4,967,393	\$4,252,200	\$10,096,524
TOTAL	\$31,122,354	\$39,612,102	\$0	\$2,125,000	\$72,859,455	\$51,795,972	\$31,122,354	\$0	\$37,654	\$82,955,980		

ASSUMPTION

- Capital Expenditures (Projects A-F)
- Includes Principal & Interest on Capital Expenditures requiring debt service (5% interest, 10-year loan)
- Interest on General Fund Advances @ 0.0% of Annual TID Fund Deficit
- Administration, Organizational, Planning, Costs (Project Types G-I)
- Debt Proceeds on Capital Expenditures requiring debt service
- Other Income (Land Sales, Grants, Intergovernmental Revenue, etc.)
- Interest on Investment Income = 0.5%

TID DATES

Creation Date: July 23, 2024
 Expenditure Period: July 23, 2039
 Termination Date: July 23, 2044

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. 7.

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%	\$7,654	\$907,900	\$900,246	\$9,163,199
Village	37.45%	\$16,203	\$1,921,893	\$1,905,690	\$19,397,170
School	40.61%	\$17,570	\$2,084,121	\$2,066,550	\$21,034,495
Tech	4.25%	\$1,839	\$218,088	\$216,249	\$2,201,107
State	0.00%	\$0	\$0	\$0	\$0
Total	100.00%	\$43,266	\$5,132,002	\$5,088,736	\$51,795,972

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. 7, no zoning changes are necessary as a result of creating TID No. 7. Future rezoning of property will be necessary in order to facilitate development within TID No. 7. Approval of rezoning applications will occur on a case-by-case basis consistent with the Village’s Comprehensive Plan and East Side Neighborhood Plan.

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

The creation of TID No. 7 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 Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaced persons will be provided an informational pamphlet prepared by the Wisconsin Department of Administration (DOA). 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. 7 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. 7 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.

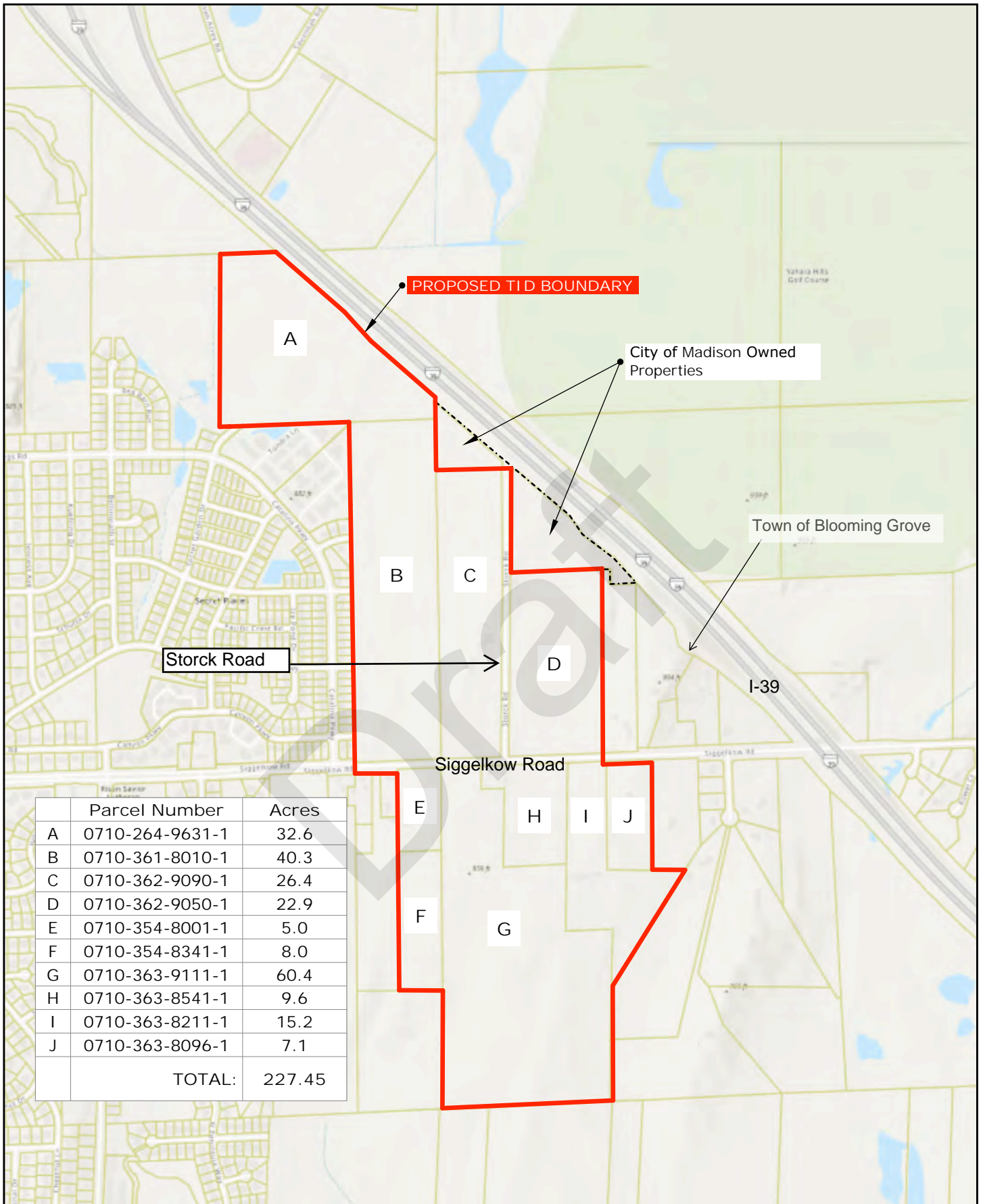
Tax Incremental Financing (TIF): A mechanism for financing development and redevelopment projects whereby property tax revenue from increased property values in a defined geographic district is used to pay for public improvements, such as roads, sewer and water lines. Once the improvements are paid for,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

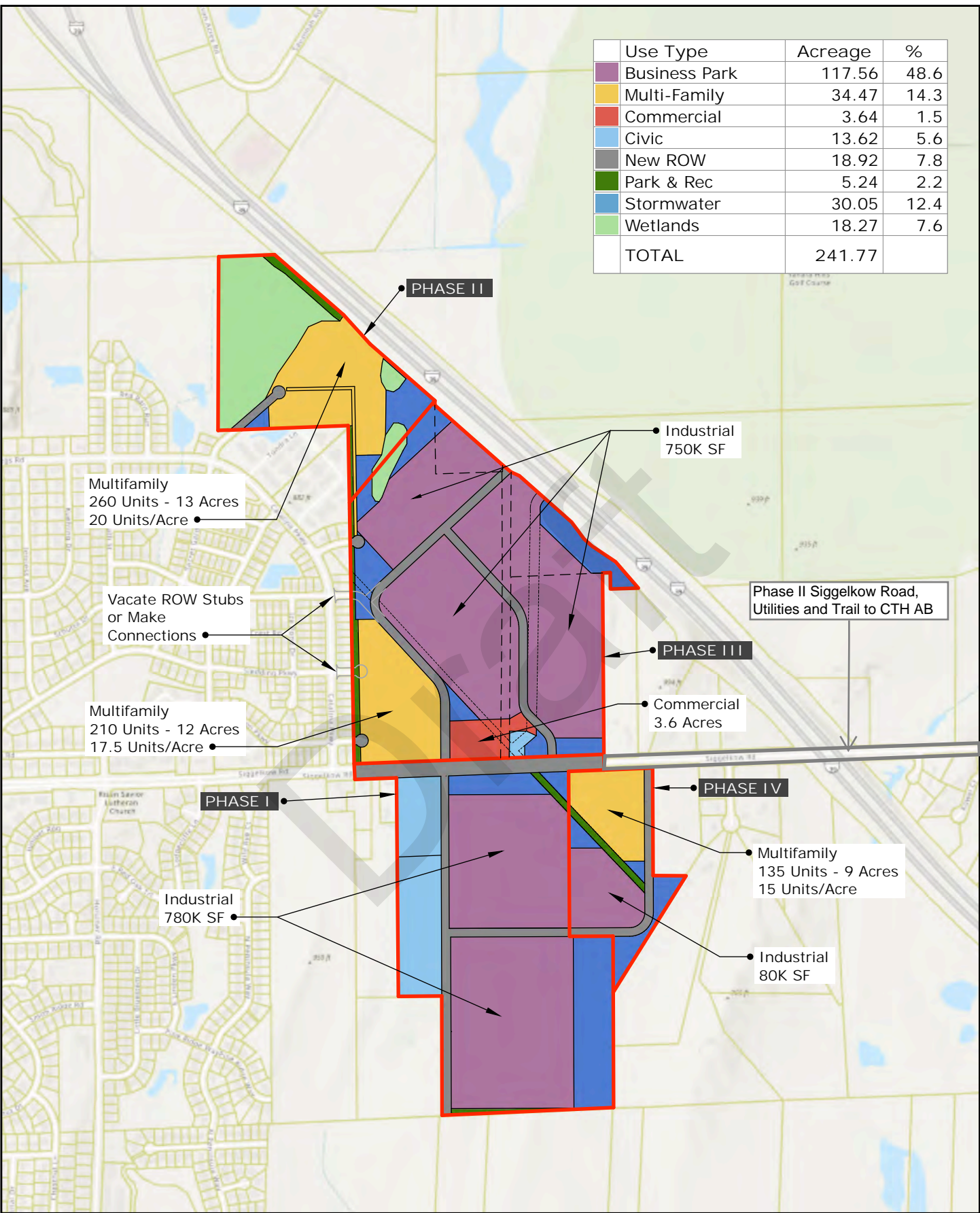
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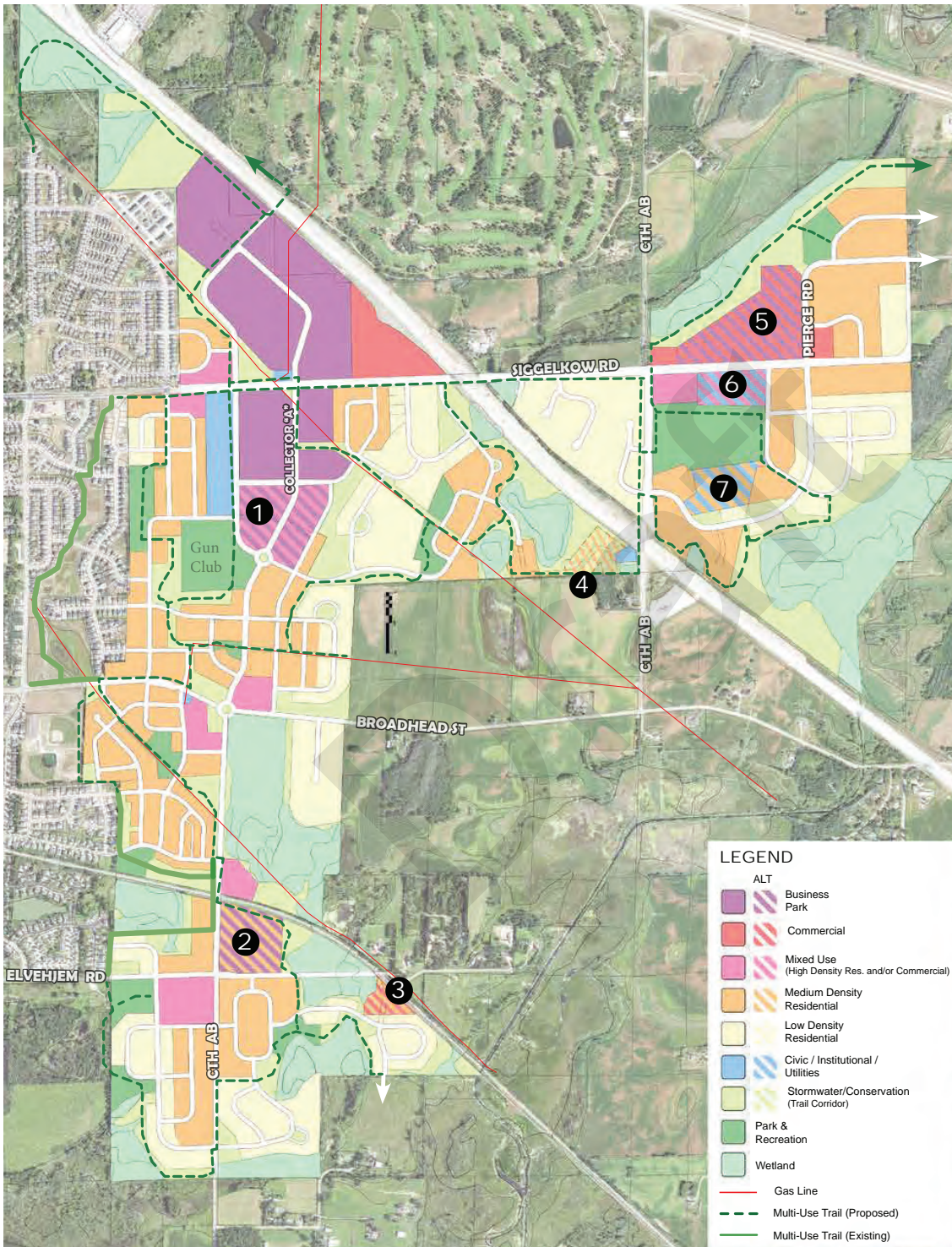
	Parcel Number	Acres
A	0710-264-9631-1	32.6
B	0710-361-8010-1	40.3
C	0710-362-9090-1	26.4
D	0710-362-9050-1	22.9
E	0710-354-8001-1	5.0
F	0710-354-8341-1	8.0
G	0710-363-9111-1	60.4
H	0710-363-8541-1	9.6
I	0710-363-8211-1	15.2
J	0710-363-8096-1	7.1
	TOTAL:	227.45



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



Master Plan Concept



Design Themes

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

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

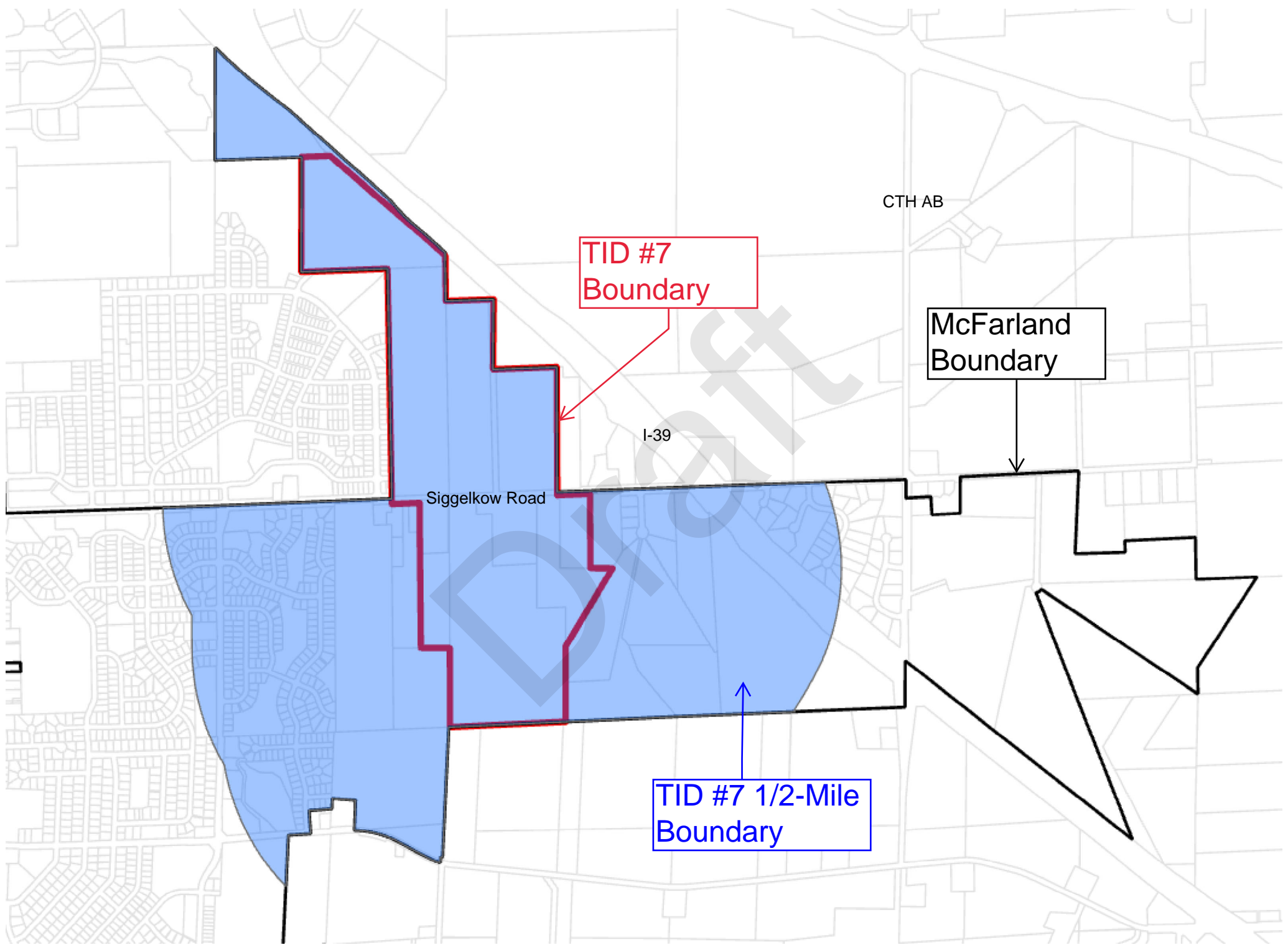
Housing throughout the planning area with medium- and high-density adjacent to major roadways with low-density along the edges of the growth area.

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

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

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

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



TID #7
Boundary

McFarland
Boundary

TID #7 1/2-Mile
Boundary

Tax Incremental Finance District No. 7 (East Side Business Park) Public Informational Meeting

July 30, 2024

Andrew Bremer, AICP
Community & Economic Development Director
Andrew.bremer@mcfarland.wi.gov



Meeting Outline

- Brief History of Prior Planning Activities Leading to TID No. 7
- Basics of Tax Incremental Financing
- Brief History of Tax Incremental Financing in McFarland
- Overview of Draft Tax Incremental District No. 7 Project Plan
- Overview of Interstate Partners
- Addressing Land Use Compatibility
- Overview of Future Planning & Design Activities
- Q&A

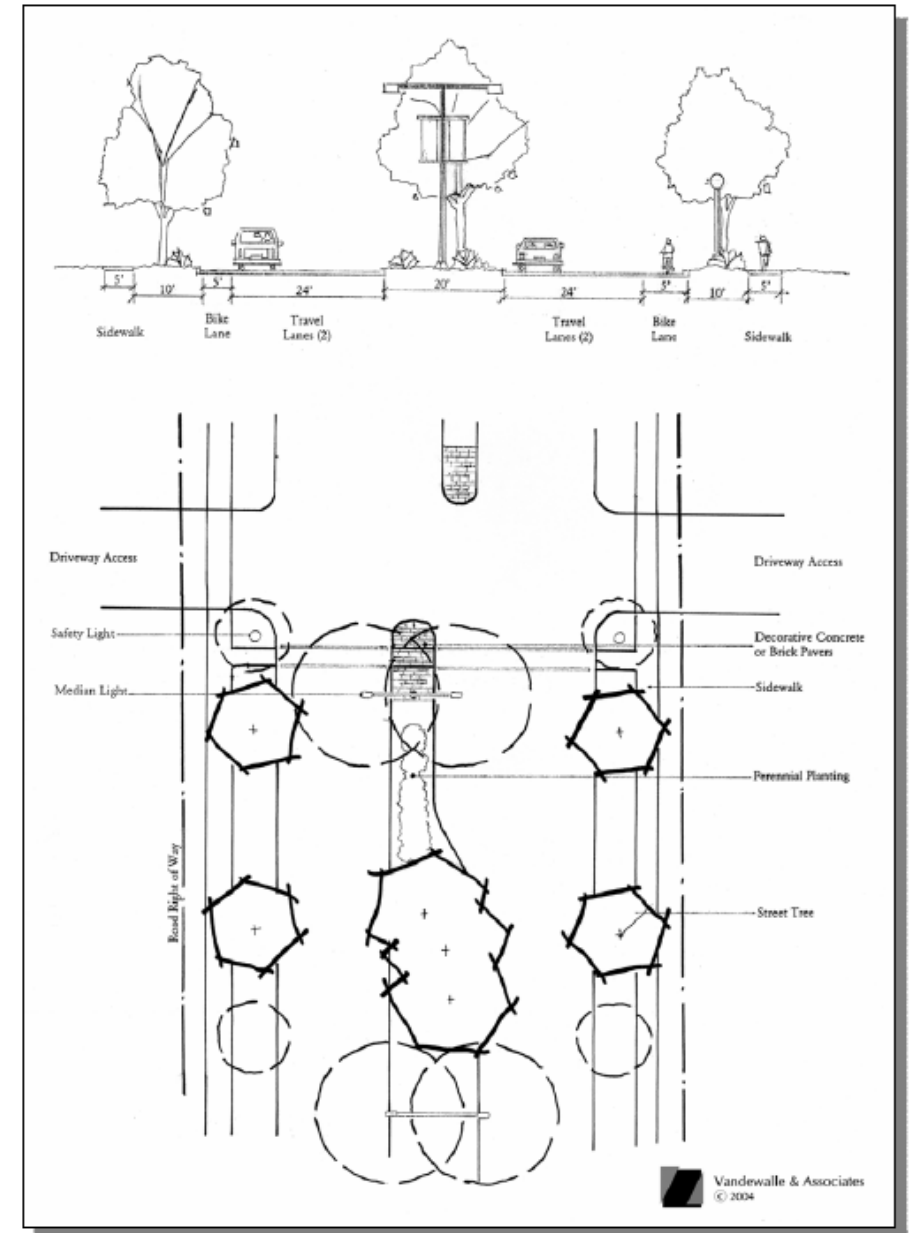
How Long Has The Village Been Planning for East Side Development?

BRIEF HISTORY OF PRIOR PLANNING ACTIVITIES
LEADING UP TO TID NO. 7 EAST SIDE BUSINESS PARK

2006 Comprehensive Plan

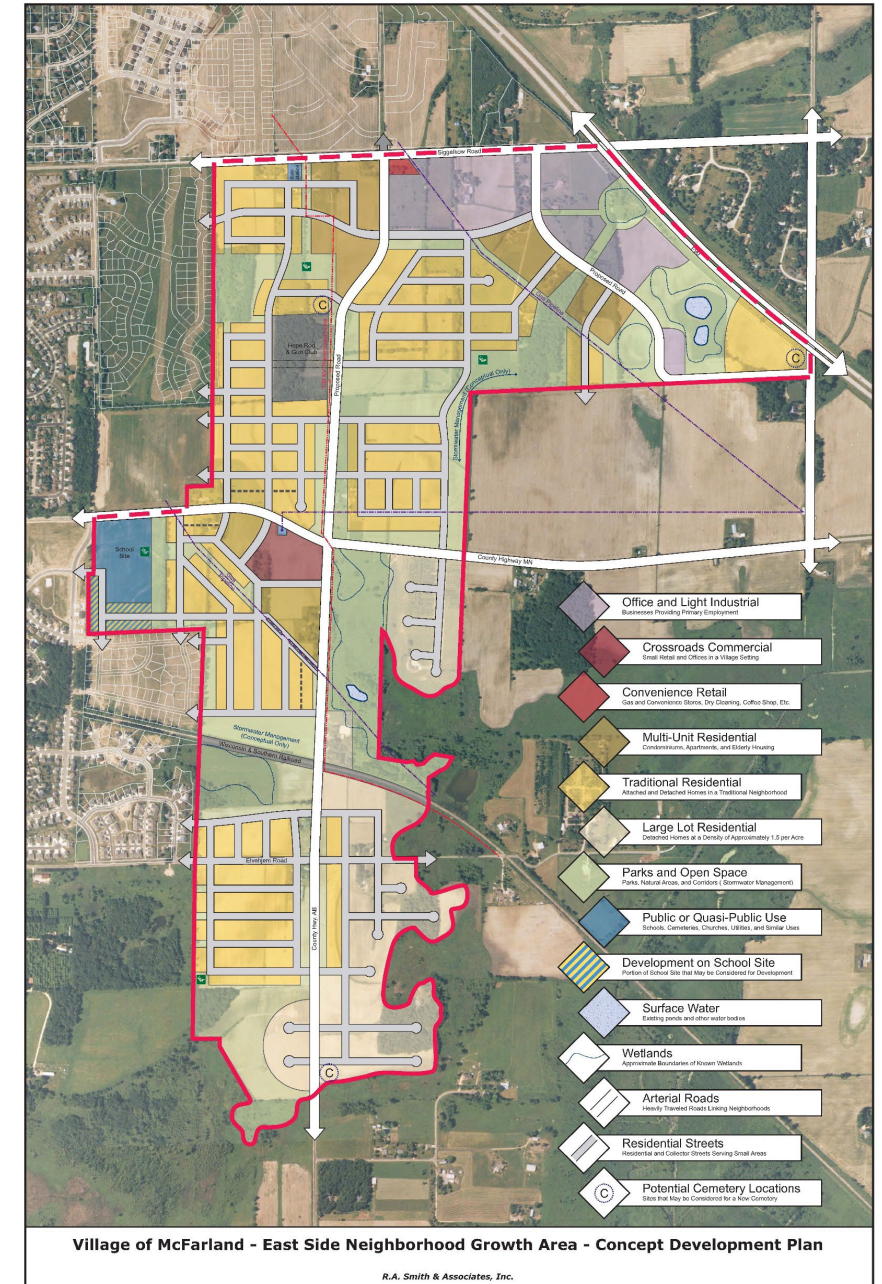
Figure 3: Conceptual Design for Siggelkow Road Corridor

- Land Use Policy #9: *“Promote nonresidential development opportunities with visibility from the Interstate and access via Siggelkow Road and CTH AB.”*
- Land Use Recommendation: *“Expansion of Siggelkow Road into a 4-lane roadway is anticipated as the East Side Growth Area builds out over the planning period.”*
- Economic Development Policy #7: *“Provide appropriate incentives, including tax increment financing, to encourage redevelopment for economic purposes and new industrial and office development in planned areas of the Village.”*



2008 East Side Plan

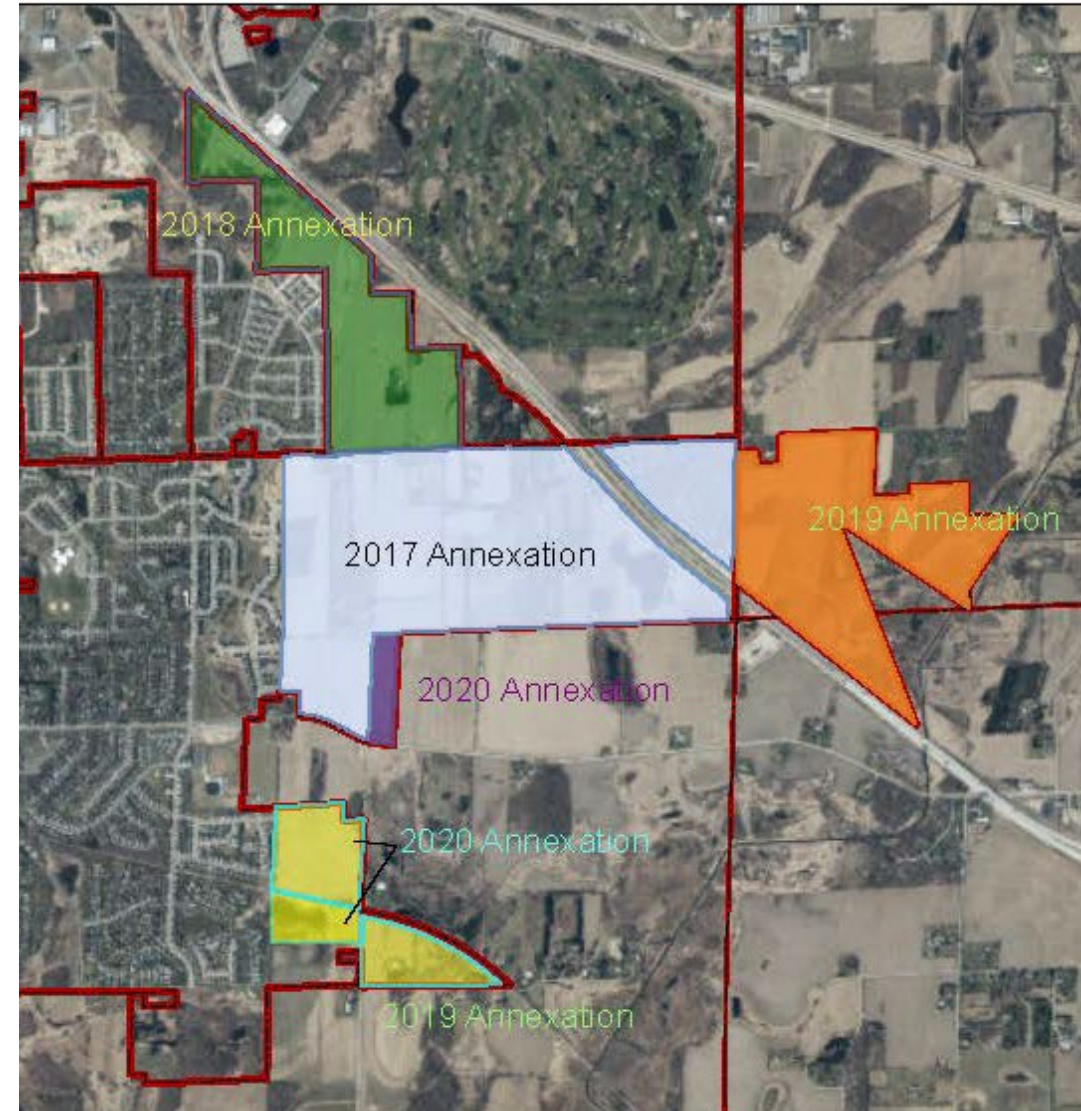
- Continued planning for office and light industrial uses along Siggelkow Road and the Interstate.
- Included building and site design guidelines to improve compatibility with adjacent uses.
- Identified amending the Village Zoning Code to include an additional Office and Light Industrial category.



2017 Comprehensive Plan & 2017-2020 Annexations

- ED Initiative #2: *“Work to advance business opportunities near Interstate 39-90 and Siggelkow Road.”*
- ED Objective #2: *“Expand the local tax base and good paying jobs through business park development and redevelopment.”*
- Identifies potential roadway projects including Siggelkow Road, from Catalina Parkway to CTH AB. Reconstruction as an urban roadway with specific improvements to be determined.
- 2017-2020 Village Board approves multiple annexation petitions from property owners.

Village of McFarland - Annexation (2017-2020)



2023 Economic Strategic Plan & Housing Needs Assessment



- Strategy #2: *“Expand Commercial and Industrial Land Base.”*
- Prepare for creation of a new TID on the east side for industrial development and mixed-use development.
- Focus on sectors supported by Madison Region Economic Partnership (MadREP) Advance 2.0 including:
 - Advance manufacturing,
 - Bioscience,
 - Ag/food/beverage,
 - Information technology, and
 - Healthcare

2023 Economic Strategic Plan & Housing Needs Assessment



- Identify, zone, and prepare for development approximately 40-100 acres of light industrial/business park property.
- Individual parcels should be sized between six (6) and ten (10) acre each.

Table 2.1 Commercial Space Projections

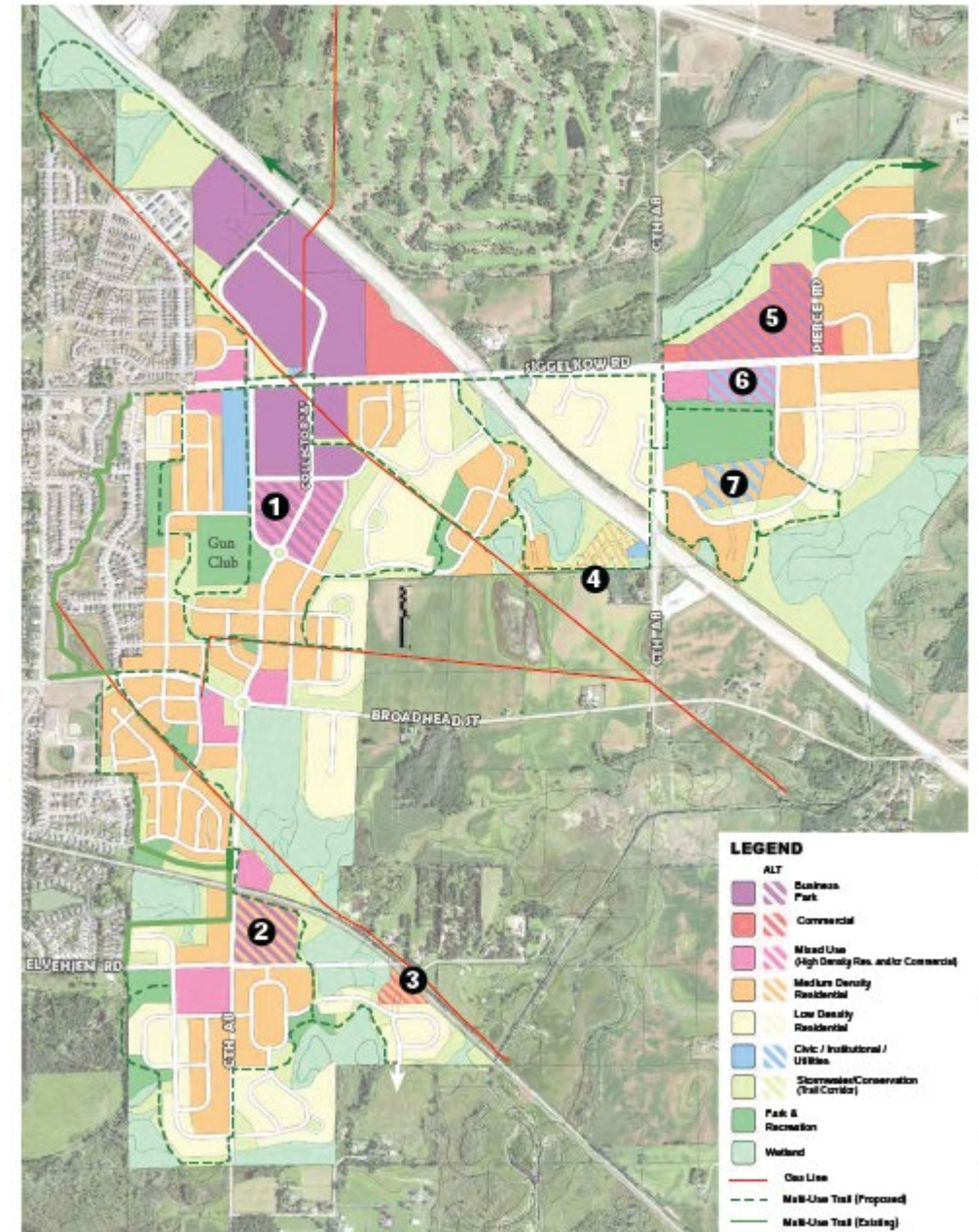
Source: Redevelopment Resources

Type	Sq. Ft.	Total Acres
Commercial	40,000	2
Mixed-use	18,000	1
Business Park		
Industrial	870,000-1,500,000	40-100
Commercial	50,000	3

2023 East Side Plan

- Identified creation of a new Business Park clustered around Siggelkow Road.
- Includes additional areas for Residential, Mixed-Use, Commercial, Stormwater/Conservancy, Parks and Trails.
- Continues to identify the need to improve Siggelkow Road east to CTH AB, create a new TIF District, and creating new zoning districts to support desired uses.

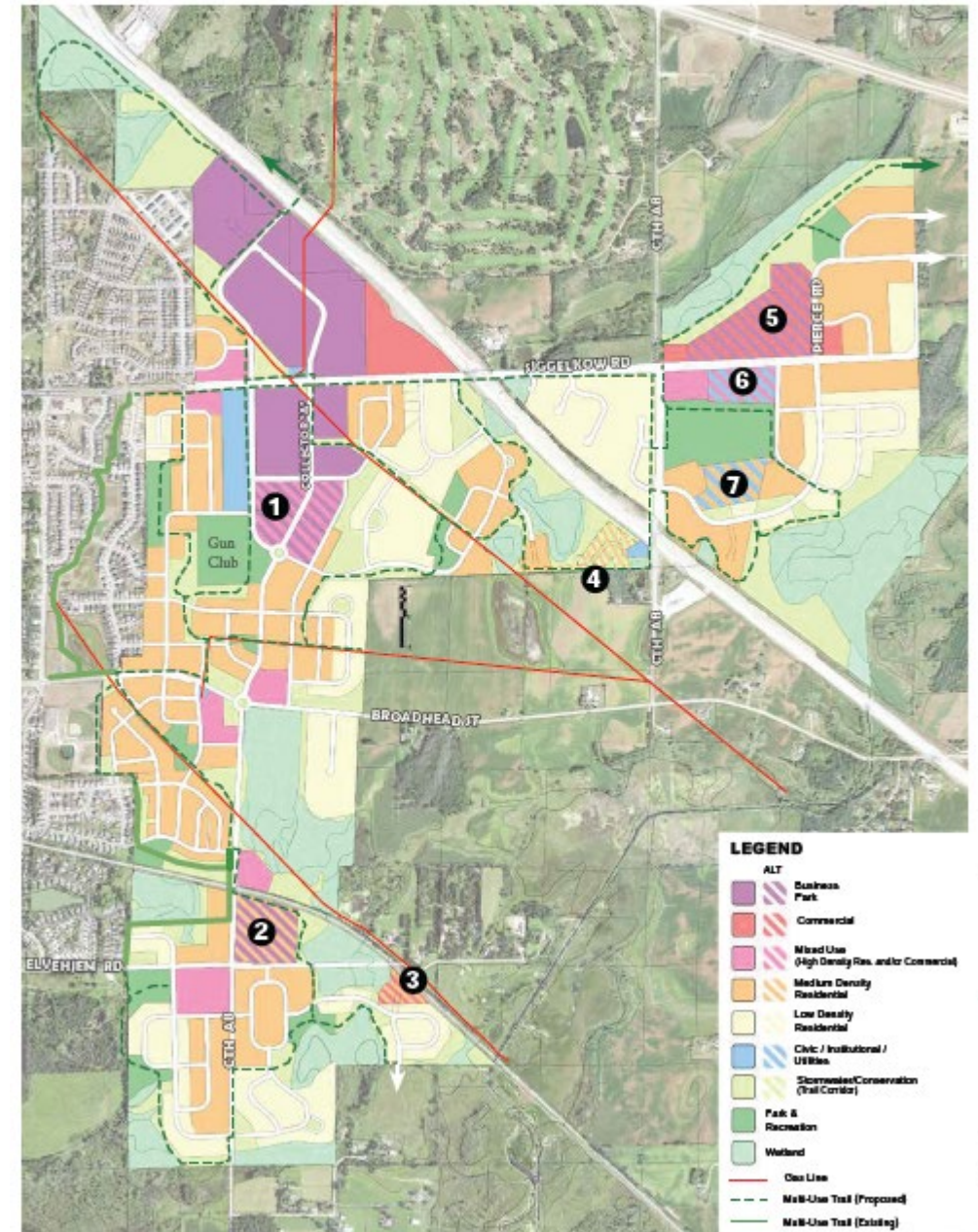
Master Plan Concept



Why is this area of the ESP identified for a new business park?

- Siggelkow Road is already designated as a minor arterial roadway from US 51 to Holscher Road and a collector from Holscher to CTH AB.
- Proximity to both the Interstate and the new HWY 12 & 18/CTH AB interchange.
 - Storck Road to 12 & 18 at CTH AB = ~1.84 mi
 - Storck Road to 12 & 18 at USH 51 = ~3.24 mi

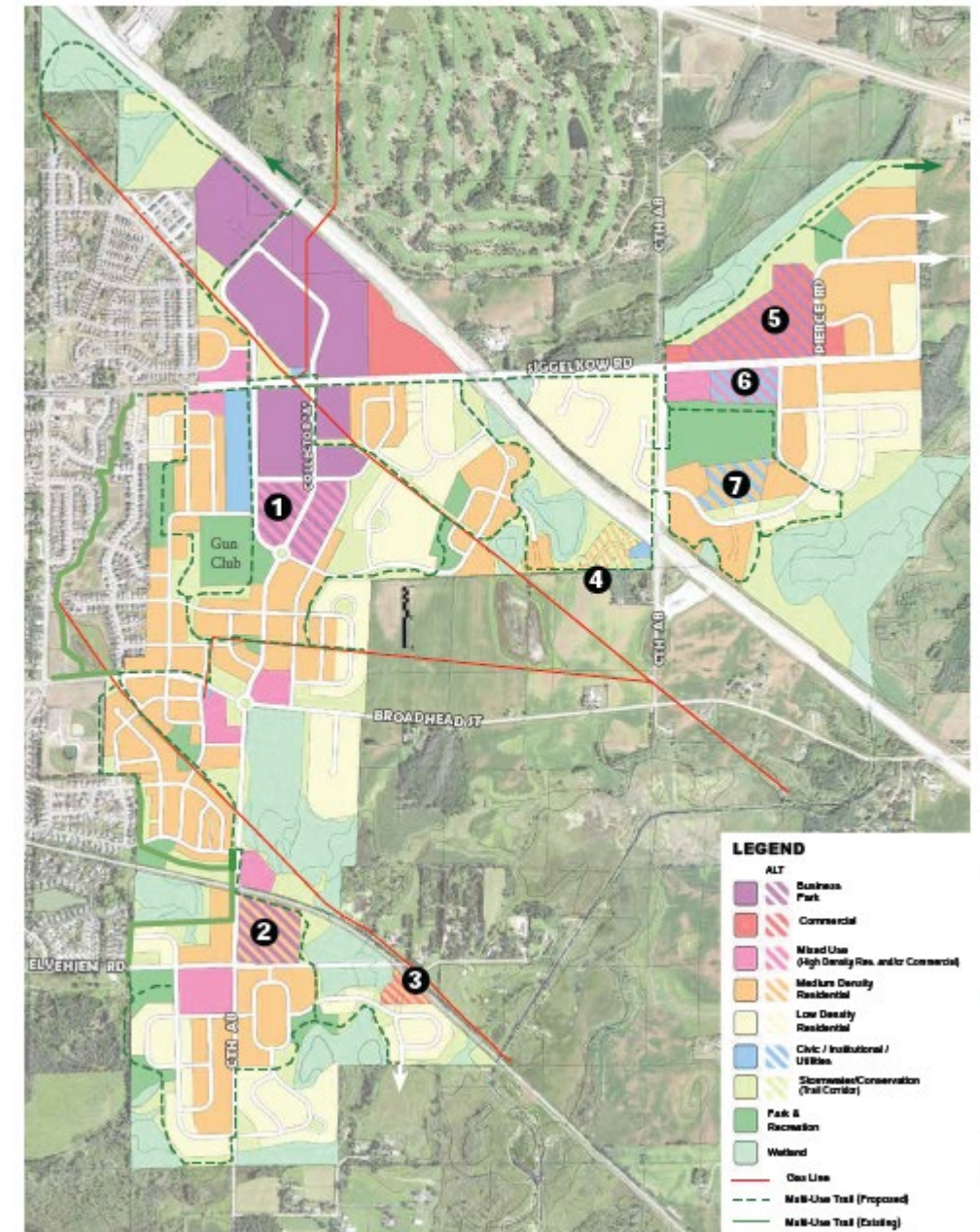
Master Plan Concept



Why is this area of the ESP identified for a new business park?

- Visibility of business park lots from the Interstate on lands north of Siggelkow Road.
- Proximity to the Hope Rod & Gun Club for business park areas south of Siggelkow Road.
- Proximity to below- and above-ground utilities and substations
- Existing land ownership configurations and uses.

Master Plan Concept



Why create a new business park?

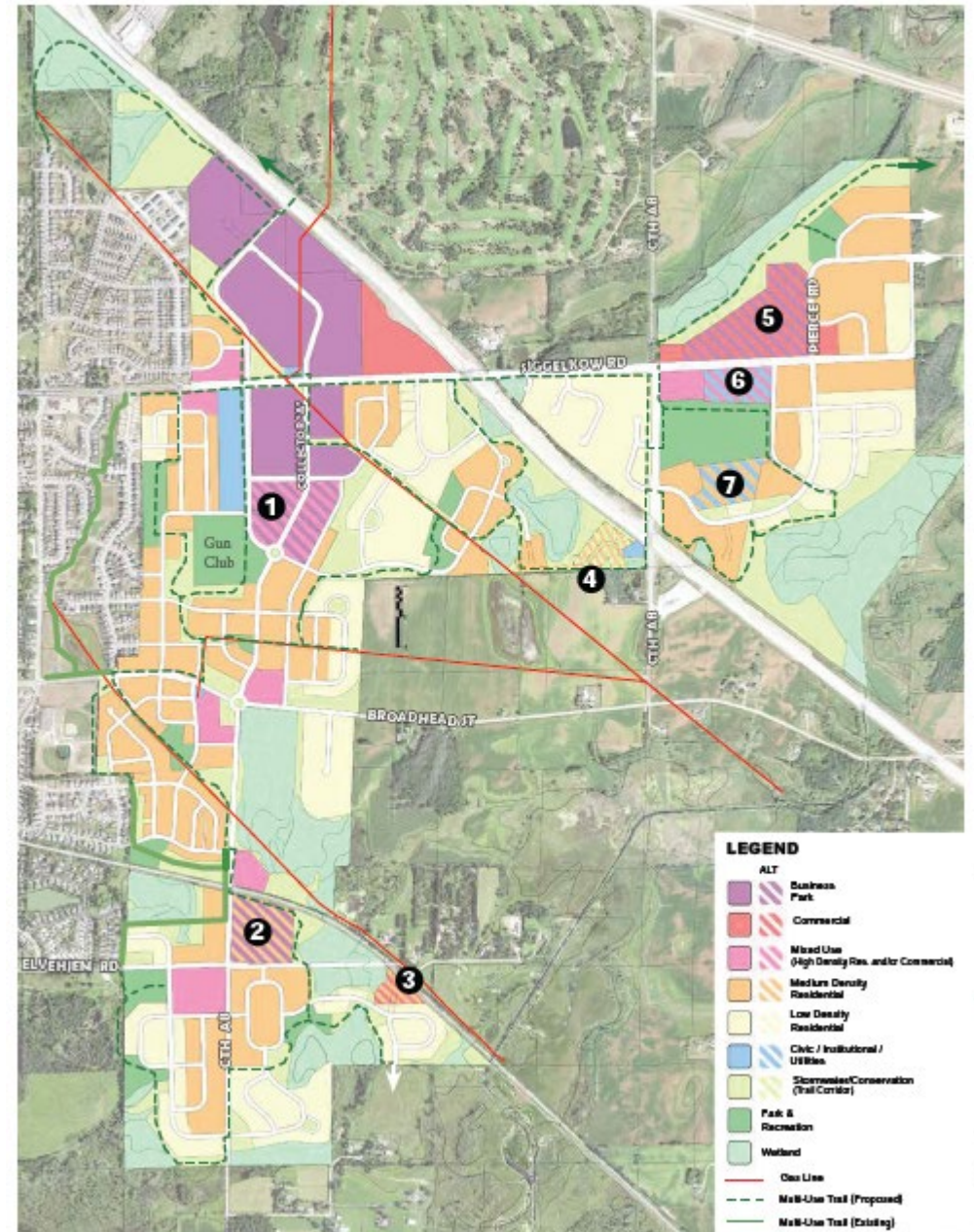
- The last new business park created in McFarland was the Badger Business Park in 2000.
- Only 8 new commercial buildings were constructed from 2014-2023, of which three were mixed-use buildings and two were replacements of existing commercial buildings.
- From 2014-2023, the Village averaged 83 new dwelling units per year.
- More of the property tax burden has been shifting toward residential properties, which also generally creates higher levels of need for Village or school services than commercial or industrial properties.



Why create a new business park?

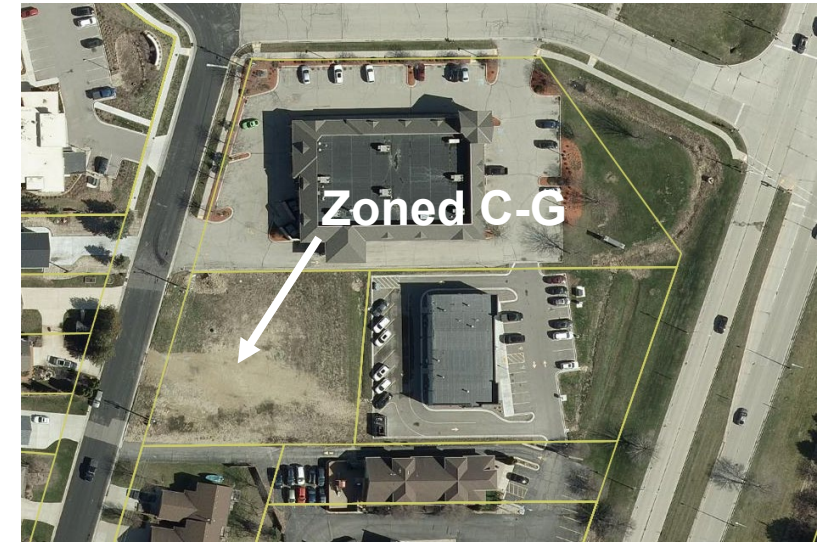
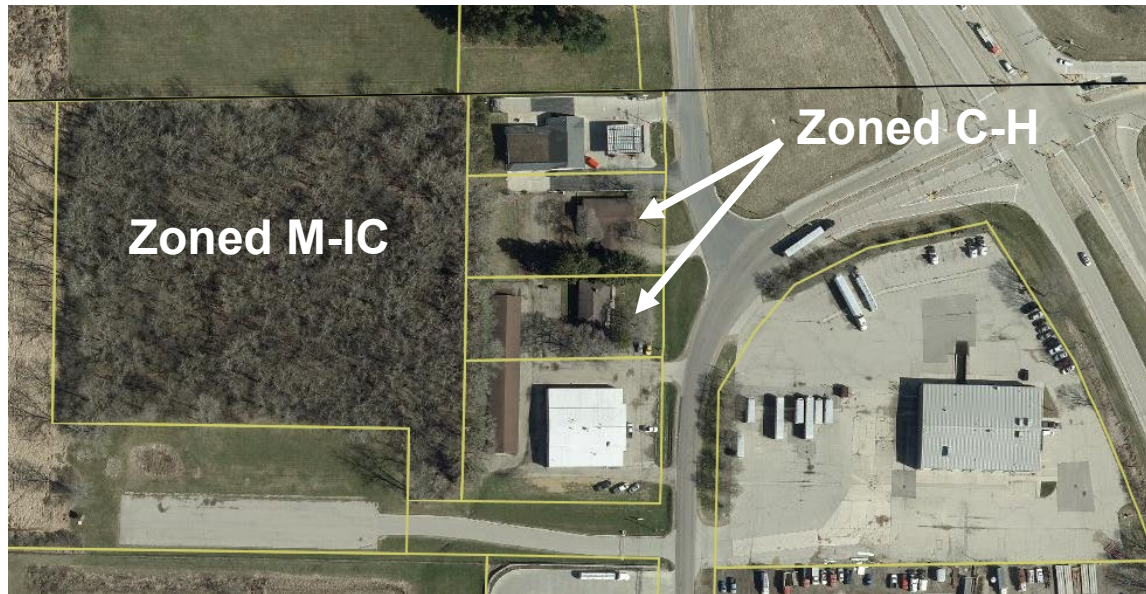
- Increases the tax base for all taxing entities, including the Village and School District.
- Provides opportunities for existing McFarland businesses that are out growing their existing buildings to remain in McFarland.
- Provides opportunities to attract new businesses and jobs to McFarland.
- Increases access to employment and services for existing McFarland residents vs. traveling outside of McFarland.

Master Plan Concept



Why create a new business park?

- As of January 1, 2024, there are only five vacant commercial or industrial zoned properties in the Village.



What Is A TIF District and How Does it Work?

BASICS OF TAX INCREMENTAL FINANCING

Tax Incremental Financing

- TIF = Tax Incremental Financing
 - TIF is a financing tool that allows a municipality to fund infrastructure and other improvements in the TID, through property tax revenue on newly developed property in the TID.
 - Allows all taxing jurisdictions benefiting from development to share in its cost.
- TID = Tax Incremental District
 - A contiguous geographical area consisting of whole parcels where TIF will be used.

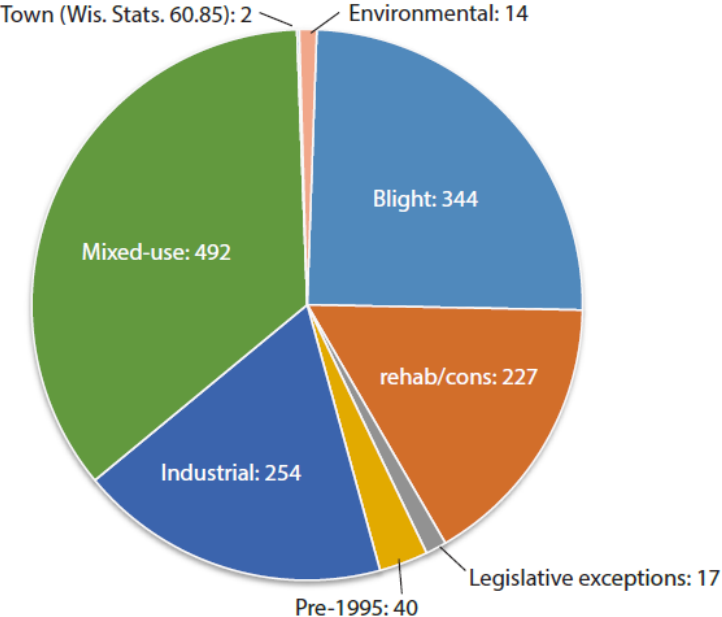
TIF Law Background

- Wisconsin first enacted TIF legislation in 1975, Wis. Stat. 66.1105
- Before TIF law was enacted, if a municipality wanted to expand its local tax base, the municipality alone would pay the cost, but the overlying taxing jurisdictions would also benefit from the growth. The legislature saw this situation as unfair and viewed TIF as a way to remedy the problem and encourage cooperation between local government (WIDOR TIF Manual).
- “But For Requirement.” The TID benefits the overlaying tax jurisdictions by encouraging development that would not occur, or would occur to a lesser extent, without TIF assistance. For example, a development may not occur in a certain area because there are not enough streets, sidewalks, public sewer or water utilities or other types of physical infrastructure. After using TIF to build these improvements, the development becomes cost effective and proceeds (WIDOR TIF Manual).
- There are 1400 active TIF Districts in the State. 68% of all villages and cities have at least 1 active TID.

Types of TID's

- Blight Elimination (existing TID #4)
 - 22 years to complete projects, open up to 27 years
- Rehabilitation & Conservation (existing TID #5)
 - 22 years to complete projects, open up to 27 years
- Industrial (existing TID #3)
 - 15 years to complete projects, open up to 20 years
- **Mixed-Use (proposed TID #7)**
 - 15 years to complete projects, open up to 20 years
- Environmental Remediation
 - 22 years to complete projects, open up to 27 years

Current Active TIDs by Type



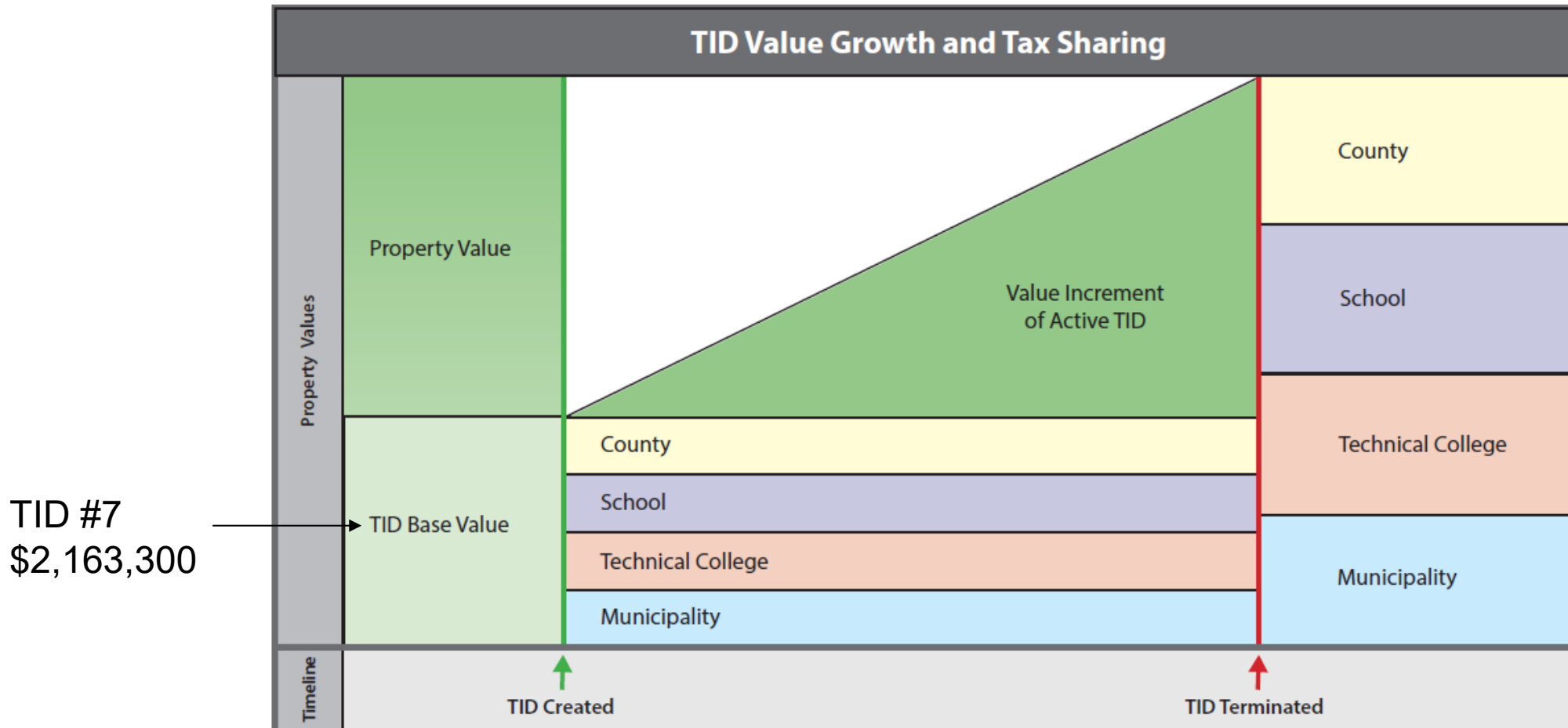
The declaration of TID type is based on the type of land that makes up 50% or more of the area in the TID. The proposed TID #7 boundary corresponds with areas identified for Business Park, Mixed-Use, Medium Density Residential, and Institutional uses in the Village's 2023 East Side Neighborhood Plan, thus the Mixed-Use designation.

How Does TIF Work?

- Upon creation, the Base Value of the TID is set for property tax distribution purposes. Base Value = total assessed value of all properties in the TID at creation.
- The Village, County, School District and Technical College continue to receive tax revenue from the Base Value.
- The full property tax collected (tax increment value) from any new development is allocated to the municipality (TID) to be spent on projects specific to the TID in accordance with the adopted TIF Project Plan.
- Once the TID closes, all taxing entities realize the tax benefits of the new value.

How Does TIF Work?

1. Sharing the tax base



Source: WI DOR

How are TIF Projects Funded and When Does the Village/TID Receive the Funding?

- From the property taxes paid from the tax increment created by new development in the TID.
- The Village receives tax increment revenue starting two years after the TID is created and every year thereafter until the TID is closed assuming there is growth in property values.
- Example:
 - A 10-acre property has a Base Value of \$200,000 as of 1/1/2024.
 - In 2025, a new building is constructed.
 - The value of the property increases to \$10,200,000 as of 1/1/2026. \$100M in value increment.
 - Starting in 2027, and continuing each year until the TID closes, the TID receives full property tax payment on the \$10M.
 - All taxing jurisdictions continue to receive the property tax payments on the Base Value until the TID closes and then all taxing jurisdictions benefit from the value increment.

How are TIF Projects Funded?

- Since tax incremental revenues are delayed by two years after construction of new development, the municipality must decide how to fund improvements that lead to the creation of the new tax increment. Examples include:
 - General Obligation Borrowing or Bonding. The Village borrows funds and the TID makes annual payments to the Village from the tax increment created by new development. The Village can charge interest back to the TID on any borrowing.
 - Developer Pay-As-You-Go. The Developer finances their own improvements, and the Village agrees to pay them back a percentage of the tax increment received through a development agreement.
 - Through existing TID revenues. As TID revenues start to build it may be possible to fund future projects without the need to borrow.
- Over the life of the TID, multiple funding approaches are typically used based on the type of project and the current financial performance of the TID.

Property Assessments and Tax Rates

- Are properties within a TID assessed differently than properties outside a TID?
 - No. All properties in the Village, regardless of whether they are in a TID or not, are assessed using the same practices and procedures.
- Do property owners in a TID pay a different property tax rate than property owners outside of a TID?
 - No. All properties in the Village, regardless of whether they are in a TID or not, have the same property tax rate applied to their property.

What Does It Cost To Create A TID?

- The Department of Revenue charges a \$1,000 fee at the time of creation and an annual \$150 fee until the TID closes.
- Additional costs can include costs related to preparation of the TID Project Plan, although the majority of this is completed by Village staff.
- These costs are reimbursable from future tax increment revenue created by the TID. No other costs are reimbursable until after the TID is created.
- After the TID is created, all future capital expenditures or development incentives require approval by the Village Board.

Once a TID is created can it be Amended?

- Yes. A TID may be amended for four reasons:
 - Project Plan Amendment. To add new projects not in the original Project Plan. No limit on project plan amendments.
 - Territory Amendment. To add or subtract new territory. Limited to 4 times.
 - Extend the Maximum Life. Limited to one time.
 - Affordable Housing Extension. Adds one year. Funds can be used for affordable housing projects anywhere in the municipality.
 - Standard Extension. Adds up to 3 years when a municipality needs more time to pay project costs.
 - Allocation Amendment. To donate surplus tax increment to another TID.
- TID Amendments must be approved by the Village Board and Joint Review Board (except the Affordable Housing Extension only requires Village Board approval)

What is the Process to Create or Amend a TID?

- Joint Review Board organizational meeting. Joint Review Board consist of:
 - One representative from the School District
 - One representative from the Technical College
 - One representative from the County
 - The Village President
 - One public member
- Plan Commission holds a public hearing
- Community Development Authority recommendation (local practice)
- Plan Commission recommendation
- Village Board approval
- Joint Review Board approval

What are advantages of TIDs?

- Spur private investment and development in and around the TID.
- Creates new housing opportunities.
- Provides opportunities for existing McFarland businesses that are out growing their existing buildings to remain in McFarland.
- Provides opportunities to attract new businesses and jobs to McFarland.
- Increases access to employment and services for existing McFarland residents vs. traveling outside of McFarland.
- Utilizes the tax increment from new development to pay for the improvements necessary to create the new development rather than as a cost to all taxpayers in the Village.
- Increased property values benefits all underlying taxing bodies when the TID closes.

What are potential risks associated with creating a TID and how can they be mitigated?

- Over-investment. A municipality borrows funds to pay for infrastructure improvements (e.g. streets and utilities) or land acquisition to support new development but no private development occurs or occurs at a slower pace than anticipated.
- Under-investment. A municipality does not provide sufficient funding to attract new development. If a municipality is too cautious using TIF the expected development may not occur or occurs to a lesser extent.
- Mitigation Techniques:
 - Phase new infrastructure improvements with the pace of new development
 - Where feasible, use Developer Pay-As-You-Go to finance improvements
 - Plan, design, and construct improvements to meet the requirements of planned land uses

What happens if a TID does not pay off all costs before it closes and how is this risk minimized?

- The municipality must pay the remaining balance.
- State Mitigation Regulations & Tools:
 - The municipality can not borrow any additional funds in the last 5 years of the TID.
 - No cash grants can be provided to developers without an approved Development Agreement by the Village Board.
 - The municipality must complete an Annual Report of the TIDs finances and convene the Joint Review Board to review the report.
 - At least three Certified Public Accountant audits are required for each TID:
 - When the first 30% of the project costs are spent
 - End of the Expenditure Period
 - At Termination
 - Allows for a 3-year extension at the end of a TID's life if the municipality demonstrates additional time is needed to pay off all project costs.

What happens if a TID does not pay off all costs before it closes and how is this risk minimized?

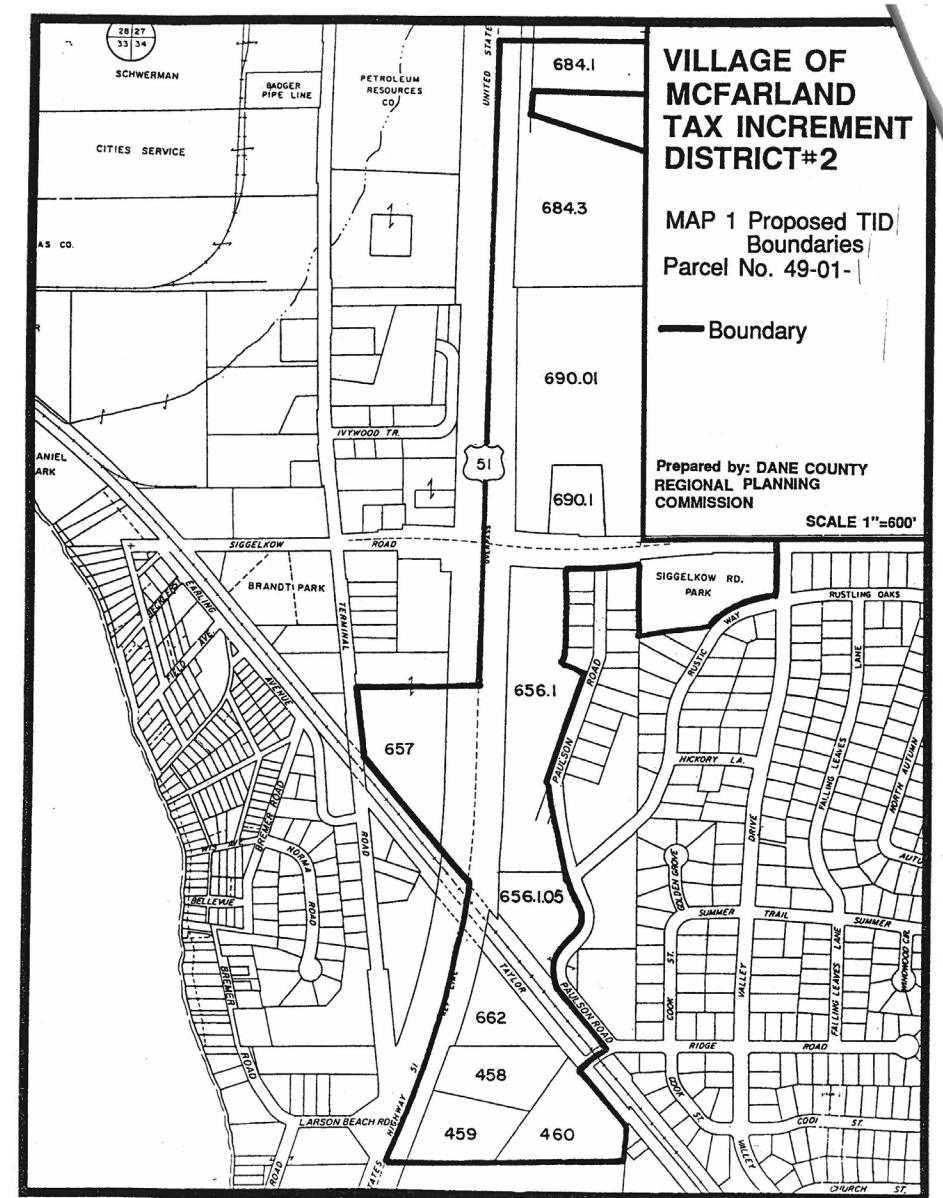
- Additional Village Mitigation Techniques:
 - The Village completes independent CPA financial statements for each TID annually.
 - The Village reviews the financial projections of the TID prior to approving new capital expenditures or development incentives.
 - Local developer incentive application and review process.
 - Development agreements include assessment guarantees from the developer.

How has McFarland used TIF in the past?

BRIEF HISTORY OF TIF USE IN MCFARLAND

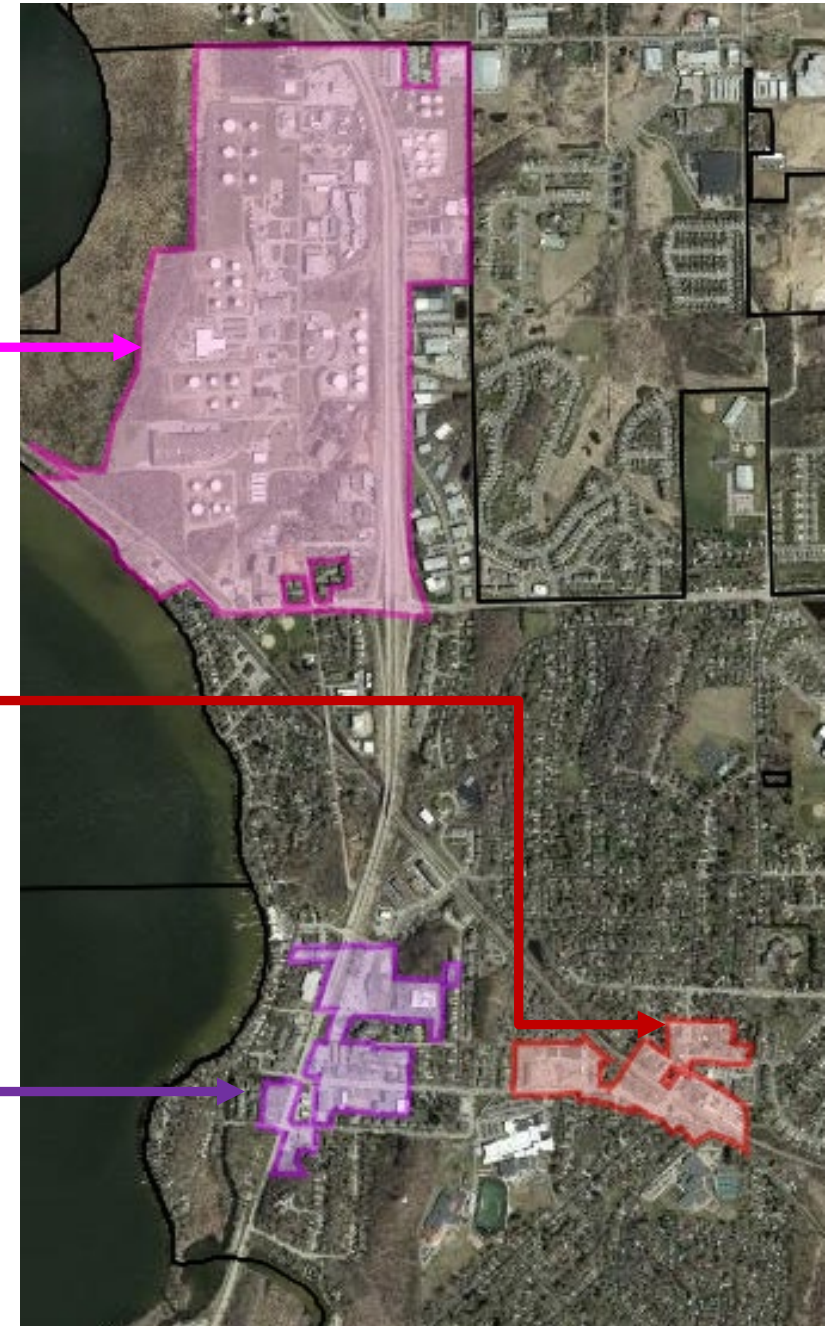
Past TIF Districts in McFarland

- TID No. 1 was created in 1980 and included industrial, commercial and residential areas throughout the Village.
- TID No. 2 was created in 1989 and includes:
 - Commerce Business Park (south Triangle Street)
 - Paulson Court residential
 - Larson Beach commercial
- TIDs No. 1 & 2 are closed



Current TIF Districts in McFarland

- TID No. 3 was created in 2004
 - Terminal Drive and north Triangle Street
 - Tax Increment Growth \$78,402,400
 - Statutory Termination Year 2027
- TID No. 4 was created in 2008
 - Downtown and “east Farwell”
 - Tax Increment Growth \$8,931,900
 - Statutory Termination Year 2033
- TID No. 5 was created in 2017
 - USH 51 and “west Farwell”
 - Tax Increment Growth \$18,071,900
 - Statutory Termination Year 2044



Examples of New Development Supported by TIDs



Waubesa Village Phase 1-4



Dan Chin Homes



CTW Flooring



Atwater Phase I & II

~\$4M in TIF incentives

~\$31M new assessment value

Examples of Public Infrastructure Projects Supported by TIDs



Terminal Drive road, utility, bike lanes, off-road path, and sidewalk infrastructure



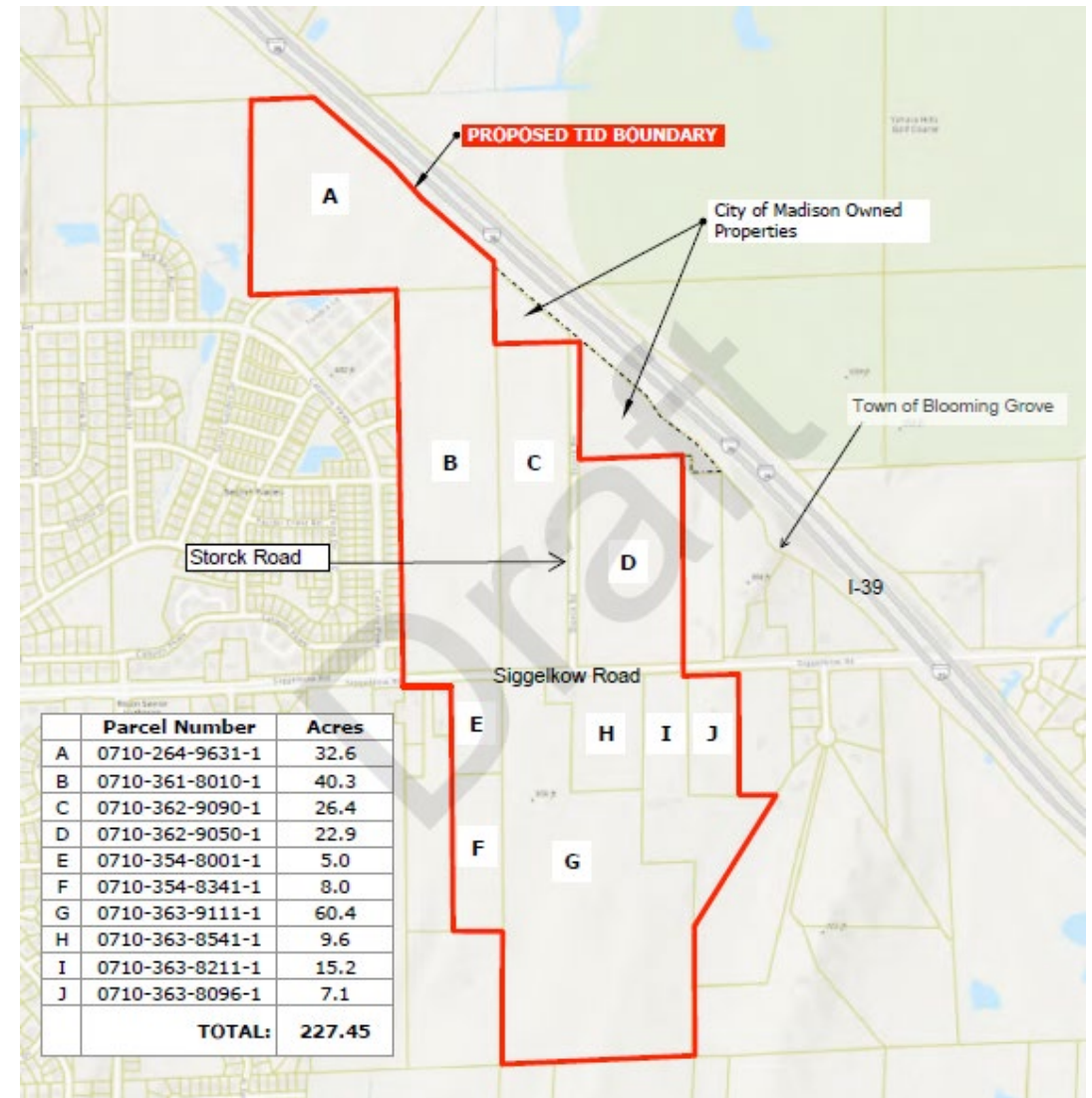
Farwell Streetscaping amenities

What is the TID #7 Project Plan?

OVERVIEW OF DRAFT TID #7 PROJECT PLAN

TID #7 Overview

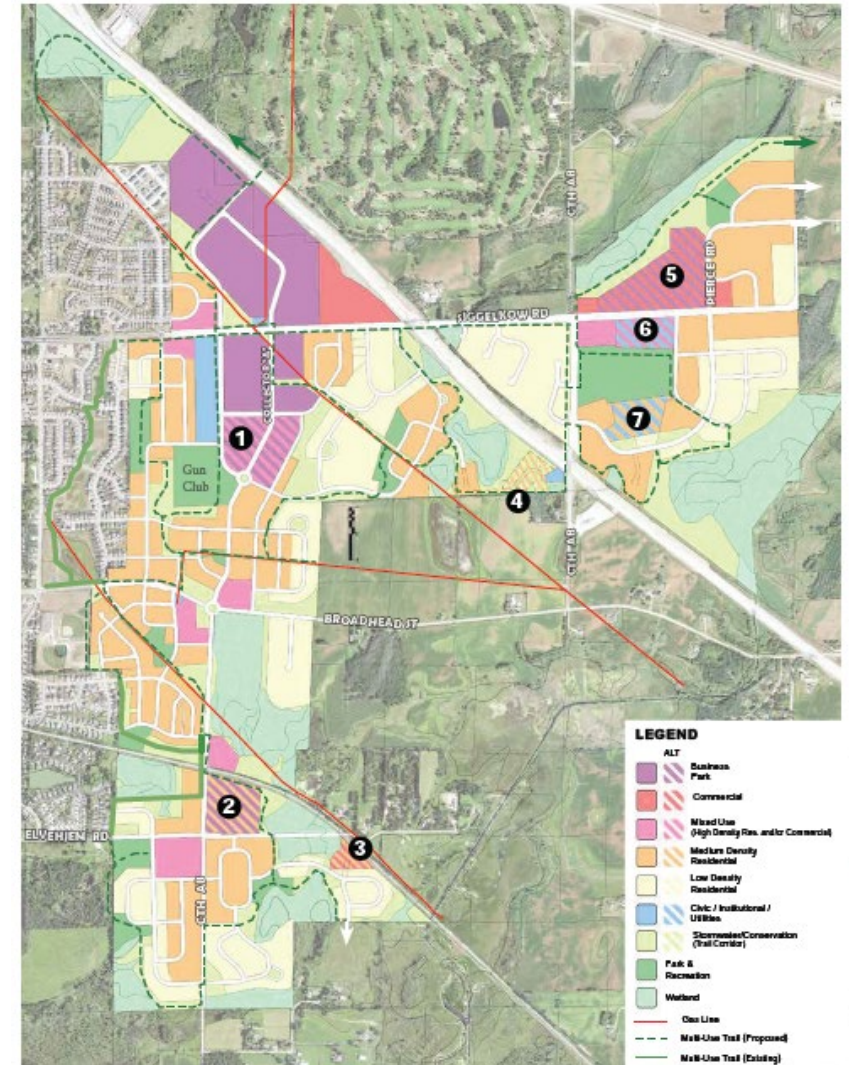
- Includes 10 parcels, approximately 228 acres.
- Proposed as a Mixed-Use TID
 - 15-year Expenditure Period
 - 20-year life Maximum Life
- Base Value of \$2,163,300
(1/1/2024 total assessment value)



How is the Boundary Determined?

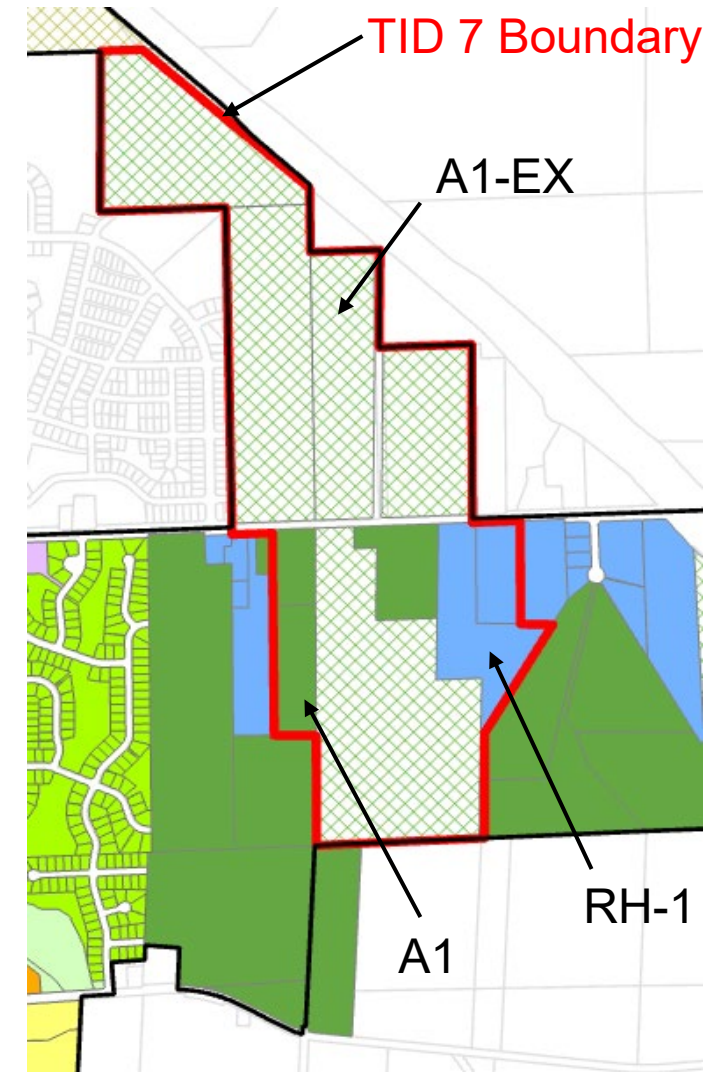
- Coincides with areas identified as Business Park, Mixed-Use, and Medium Density Residential in the 2023 East Side Plan.
- Boundary is contiguous and includes only whole parcels per State law.
- The estimated percentage of territory devoted to retail business may not exceed 35% per State law.
- The estimated percentage of territory devoted to newly platted residential may not exceed 35% per State law and the density of new residential must be at least 3 units per acre.

Master Plan Concept



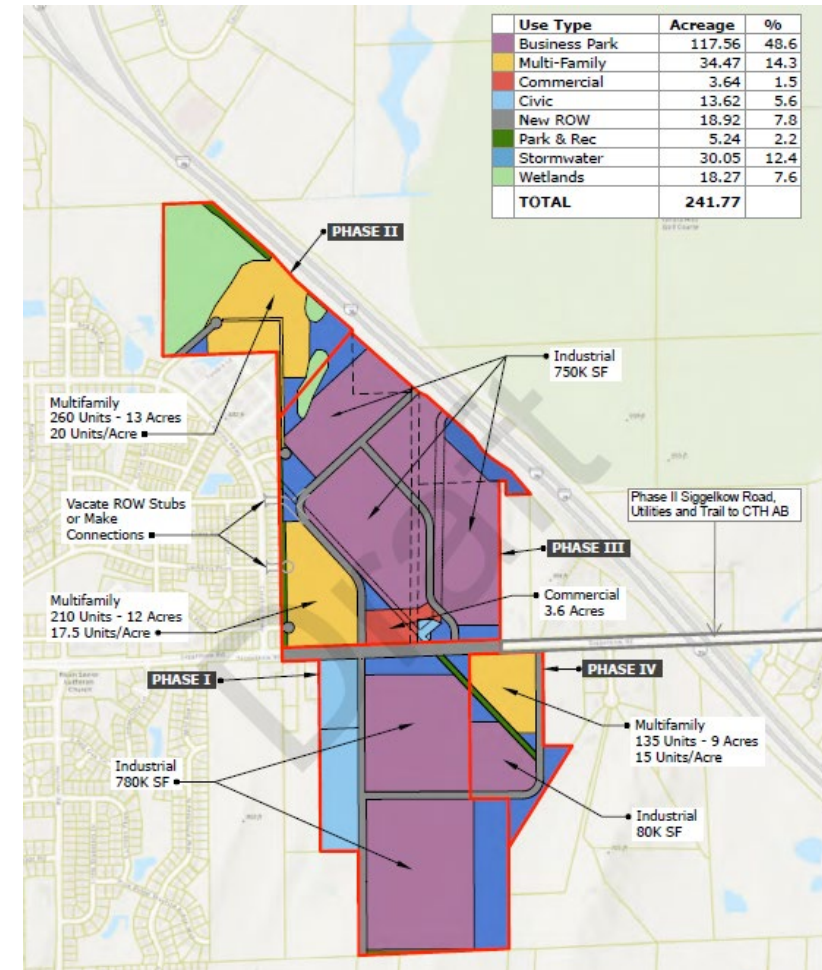
What is the current Zoning of Property in the TID & have any rezonings been approved?

- Eight properties are currently zoned agricultural (A1-EX or A-1), and two properties are zoned RH-1 Rural Homes.
- No applications for rezoning or land divisions have been submitted by property owners to date, including Interstate Partners.
- Rezoning of property is not a prerequisite for creation of the TID.



The Project Plan includes a map of proposed uses and project locations from Interstate Partners does this mean those land uses or improvements are approved when the TID is created?

- No. They are included to aid in estimating future infrastructure costs and new development revenue (tax increment) based on the 2023 East Side planned land uses and site due diligence.
- Development of any individual property will require separate approval by the Village.
- The construction of any private or public improvements will require separate approval by the Village.



What type of projects are TID eligible expenses?

- Infrastructure for support new development (e.g. streets, sewer, water, etc.).
- Streetscaping Improvements (e.g. aesthetics improvements such as gateway signage)
- Site Improvements related to new development (e.g. stormwater facilities)
- Environmental Studies and Remediation (e.g. wetland delineations)
- Real Estate costs (e.g. inspection, acquisition, vacation to support public infrastructure and private investment)
- Development Incentives (development incentives require approval of a development agreement by the Village Board)
- Planning and Promotional Costs (e.g. costs related to marking the TID)
- Costs related to administration of the TID including (e.g. annual CPA reviews)
- Financing Costs (e.g. interest expenses)
- Projects within ½-Mile of the TID (e.g. improvements to streets and utilities related to TID)

The Project Plan includes ~\$41M in TID Project Costs is the Village/TID obligated to incur all of these expenses?

- No. The TID Project Plan provides a list of eligible project expenses and estimated costs that could be reimbursed by tax increment from future new development. Inclusion provides an overall budget/project list to work from but does not create an obligation to incur all costs.
- Requests for incentives related to a specific development proposal and related public infrastructure improvements will require case by case review and approval by the Village Board.

How and when will Project Plan expenses occur?

- New capital expenditures require case by case approval from the Village Board.
- Annually the Village updates its 5-Year Capital Improvement Plan to identify future capital projects such as road or utility improvements. The Village uses the Project Plan and CIP to determine annual budgets. The readiness of property for new development, current interest rates, and current financial projections of the TID is considered as part of this process.

The Project Plan includes projected years when capital expenditures will be incurred, and new development will be built. Do these create any obligations on the Village?

- No. State law requires a municipality to create a projection of when project expenditures may occur and when new development will be created in order to determine if there will be sufficient tax increment to retire all project costs when the TID closes.
- It is normal for actual years of project expenditures and new development activities to deviate from the original Project Plan as a variety of factors (e.g. market conditions, interest rates, etc.) will impact the pace of improvements to public infrastructure and private property development.

What is the 12% Test?

- Under State law, when a new TID is proposed the Base Value of the TID, plus the value increment of all existing TIDs in the municipality, can't exceed 12% of the municipalities total equalized value.
- The Base Value of TID #7 is 0.13% of the total equalized value of all property in the Village, increasing the Percentage of Equalized Value to 6.65%

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. 7	\$2,163,300
Total Net New Value + Existing TIF Value Increment	\$107,569,500
Percentage of Equalized Value	6.65%

What specific business will be included in the TID?

- To be determined but regulated by the Village approved zoning of property.
- Zoning districts and requests for zoning amendments are guided by the Village’s East Side Plan.
- Developer’s can also request approval of additional deed restrictions and protective covenants subject to Village approval, similar to residential subdivisions.

2023 East Side Plan

**B
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BUSINESS (BUS) includes office buildings, office-showrooms, warehouses, and light industrial buildings that offer retail, trade, or services for individuals or businesses. Typical implementing zoning districts include: General Commercial (C-G), Commercial Park (C-P), Highway-Commercial (C-H), Limited Commercial (C-L), and Manufactured-Intensive Commercial (M-IC).

62-71 Permitted Or Conditional Uses--Commercial Districts

The permitted and allowable conditional uses in each district of the commercial zoning districts shall be set forth in the following table:

COMMERCIAL DISTRICT PERMITTED USES^(4, 5, 6, 7)

Land Uses ⁽¹⁾	NAICS	C-G ⁽²⁾	C-H	C-P	C-L	M-IC
Agricultural services and support	115000	C	C	C	N	N
Mining	212000	N	N	N	N	C
Utilities	221000	N	C	C	N	C
Construction contractors	236000	N	P	P	N	P
Wood product manufacturing	321000	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P
Drugs manufacturing	325410	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P
Plastics manufacturing	326100	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P
Printing	323000	C	C	p ⁽⁷⁾	N	P
Fabricated metal manufacturing	332000	N	p ⁽⁷⁾	p ⁽⁷⁾	N	C
Machinery & equipment	333000	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P
Computer manufacturing	334000	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P
Electrical manufacturing	335000	N	p ⁽⁷⁾	p ⁽⁷⁾	N	P

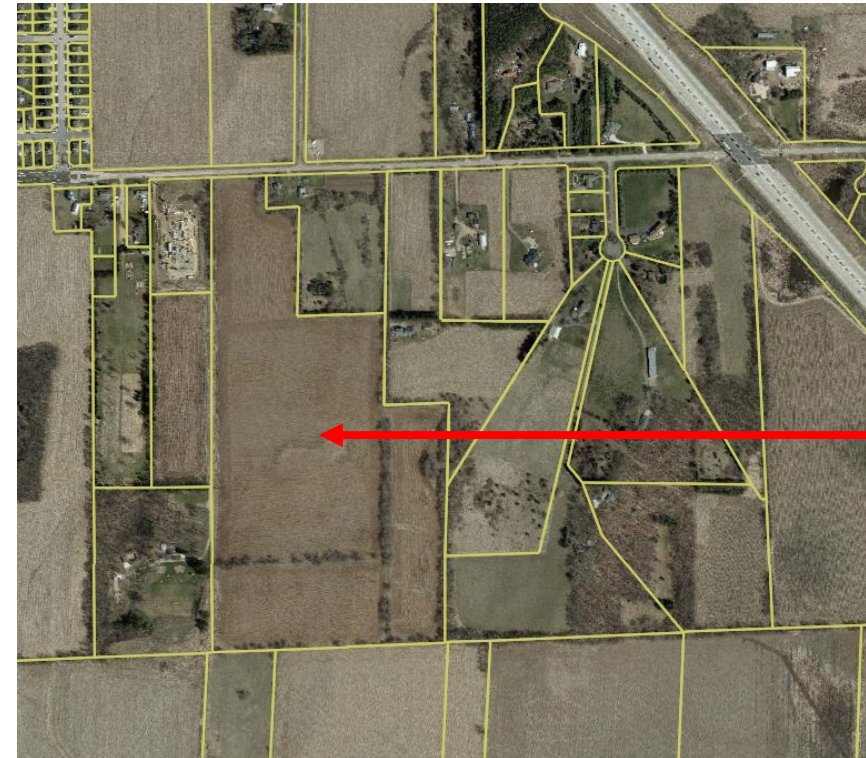
WHO ARE INTERSTATE PARTNERS?

OVERVIEW OF INTERSTATE PARTNERS

Who are Interstate Partners?

COMPANY OVERVIEW

- Interstate Partners formed in 2000
- Regional offices in Chicago, Minneapolis/St. Paul and Milwaukee
- Developed, leased and managed more than **60 buildings** and multiple business parks
- Containing more than **6,000,000 square feet**
- Building types include Office, Medical, Warehouse, Service Center, Retail and Multi-Family (500+ Units)



Owner
60-acre



Are they a Trucking or Warehouse Company?

- No. They develop, lease and manage light industrial, office, retail, and multi-family properties.
- Their nearest business park is Park 151 in Sun Prairie.
- www.interstateproperties.com

PARK 151

Laird Plastics
One Source - The Right Way®

MADTOWN JUNIORS

LOVB

PGW
"MORE THAN CLASS"®

TBS TRACHTE
Building Systems

THE HOME DEPOT

SCP
SCP Distributors LLC

PCI
PERFORMANCE CONTRACTING INC

Milwaukee
L&W SUPPLY

SANI-MATIC

Interstate Partners LLC
110 W2217 Stone Ridge Drive - Suite 550 - Waubesa, WI 53188 - Tel: 262.566.1000 - interstatepartners.com

What development approvals have they received from the Village to date?

- None. No official zoning or land division applications have been submitted to date.
- Appeared for a voluntary preapplication meeting at a joint meeting of the Community Development Authority and Plan Commission on November 21, 2023 and with the CDA again on May 8, 2024.
- Preapplication meetings are used by developers to introduce themselves to the Village and surrounding property owners and present initial concepts for discussion only.
- www.mcfarlandcablechannel.com

HOW CAN THE VILLAGE ADDRESS LAND USE COMPATIBILITY CONCERNS?

ADDRESSING LAND USE COMPATIBILITY

Types of Concerns We've Heard

- Types of Businesses
- Building Design, Lighting, Outdoor Storage & Processing, Noise, etc.
- Road conditions, traffic, semi-truck traffic
- Compatibility with adjacent single-family homes and neighborhoods such as Secret Places.

Types of Business Allowed are Determined by the Approved Zoning District as Guided by the ESP

- The ESP recommends as a future action step considering the creation of a new zoning district specific to the proposed east side business park.
- Some uses might be permitted by right, while other uses could be allowed with a conditional use permit.
- Those uses not permitted by right, or with a CUP, are prohibited.

Action 4: Consider creating a new business park zoning district, including codifying site and building design guidelines in Chapter 2.

The Village's existing zoning districts may not be suitable for promoting the types of land uses it desires within the new business park while minimizing the types of uses it does not want located in the business park.

Timeframe: Short Term (2023-2025)

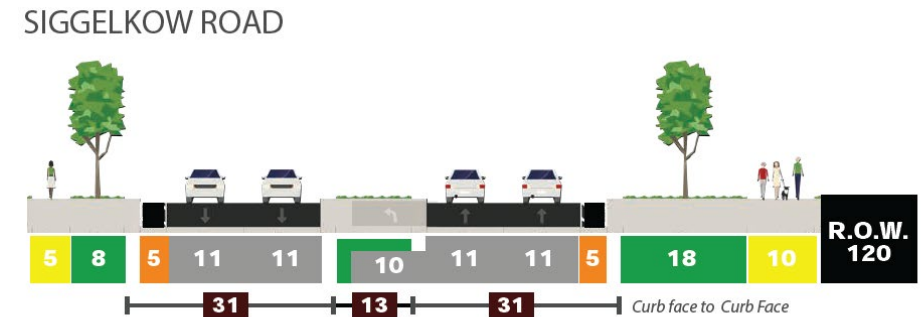
Responsible Parties: Community & Economic Development Director, CDA, Plan Commission, and Village Board.

Building Design, Lighting, Outdoor Storage & Processing, Noise, etc.

- All non-single and two-family developments in the Village require approval of a Site Design Permit from the Village Plan Commission. This process includes detailed review of:
 - Building location, height, orientation and massing
 - Exterior building materials and lighting
 - Off-street parking and lighting
 - Stormwater management
 - Landscaping
- Through zoning, the Village can also regulate hours of operation, prohibit outdoor storage or processing of raw materials.
- The Village's Municipal Code already includes regulations to address maximum noise from all properties in the Village based on time of day, applicable zoning districts, and proximity to residential uses.

Road Conditions, Traffic and Semi-Truck Traffic

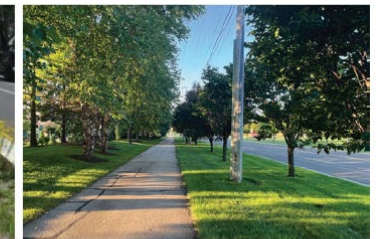
- The East Side Plan identifies the need to reconstruct Siggelkow Road from Catalina Parkway east to CTH AB to serve the future development of the east side, including both new non-residential and residential development. Potential improvements include:
 - Off-street path to connect to the Village's new Community Park on CTH AB
 - Sidewalk extensions
 - Additional lanes
 - Additional turn lanes
 - Curb and gutter
 - Decorative boulevards and terraces
- The tax increment from new development in TID #7 can be used to pay for these improvements.
- The Village is also working with the Dane County Highway Department to design improvements to the intersection of Siggelkow Road and CTH AB.



Existing Boulevard



Potential Boulevard Treatment
(Native Plantings & Bioswale)



Potential Terrace Treatment with Trail
(Widened terrace with tree plantings)

When will these improvements be completed?

- First the engineering designs and traffic studies will need to be completed. This is planned to start later this year and carry into 2025.
- In order for the cost of these designs to be reimbursed by the tax increment from new development in the TID, the TID first must be created.
- Initial reconstruction projects could begin as early as 2026/2027; however, that is merely an estimate, and the actual construction date will need to consider the pace of actual development to ensure there is tax increment to support payment for the improvements. If no development is anticipated to occur then the improvements can be delayed.
- The East Side Plan and TID 7 Project Plan also identifies that it may be advantageous to complete the reconstruction project in multiple phases.

Will the Business Park include Semi-Trucks and if so, how many trucks?

- Some level of semi-truck traffic can be expected within a business park.
- Most light industrial buildings are going to include some mix of office spaces, production and assembly spaces, warehousing spaces, and loading docks.
- The frequency of semi-trucks trips, or even smaller box trucks, depends on the specific types of businesses and their operational needs and is not solely based on the size of a building or the number of docks it may have.
- ESP Chapter 5: *“While some last mile warehousing uses may be part of the future business park, preference is for businesses that include office and light manufacturing where warehousing and truck distribution is ancillary to the business. Preference is for the indoor storage and processing of raw materials and uses that do not generate excessive noise or odors.”*

How can the impacts from traffic and semi-trucks be mitigated?

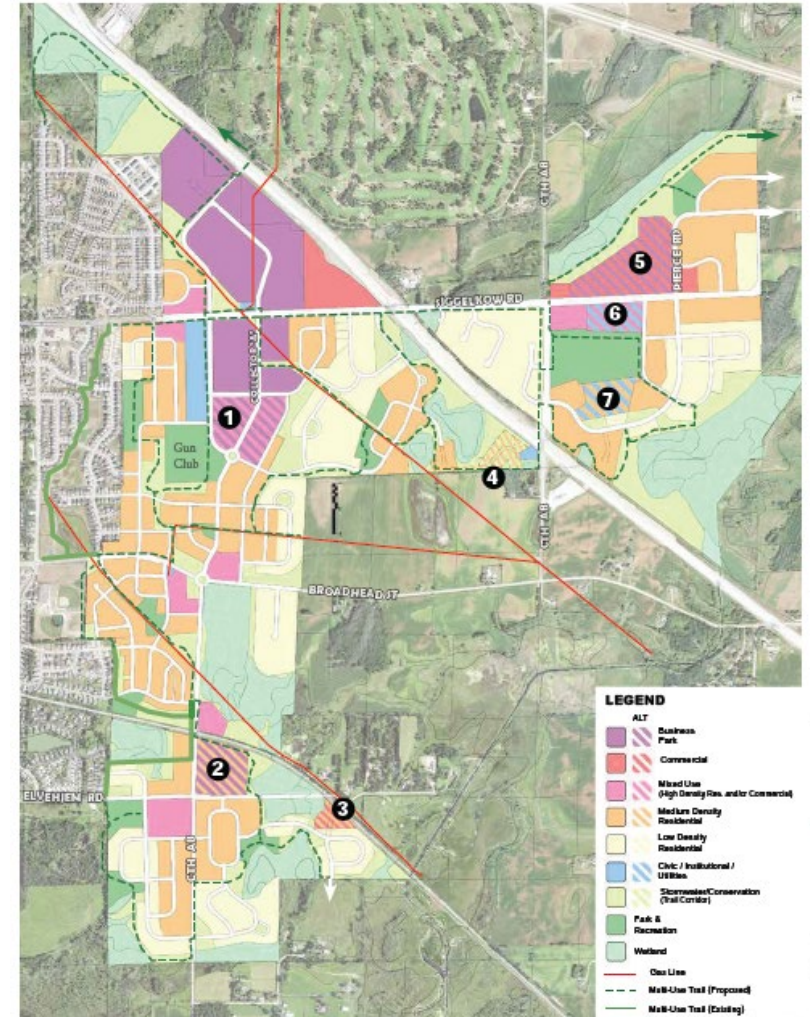
- Through zoning. For example, prohibit uses such as:
 - Fuel Terminals, Retail Supercenters, Large Distribution Centers, etc.
- By improving Siggelkow Road east to CTH AB.
- Utilizing traffic calming designs or devices.
- By designating segments of Siggelkow Road between Triangle and Catalina Parkway with truck restrictions.



How does the Village plan to mitigate impacts to adjacent residential subdivision like Secret Places?

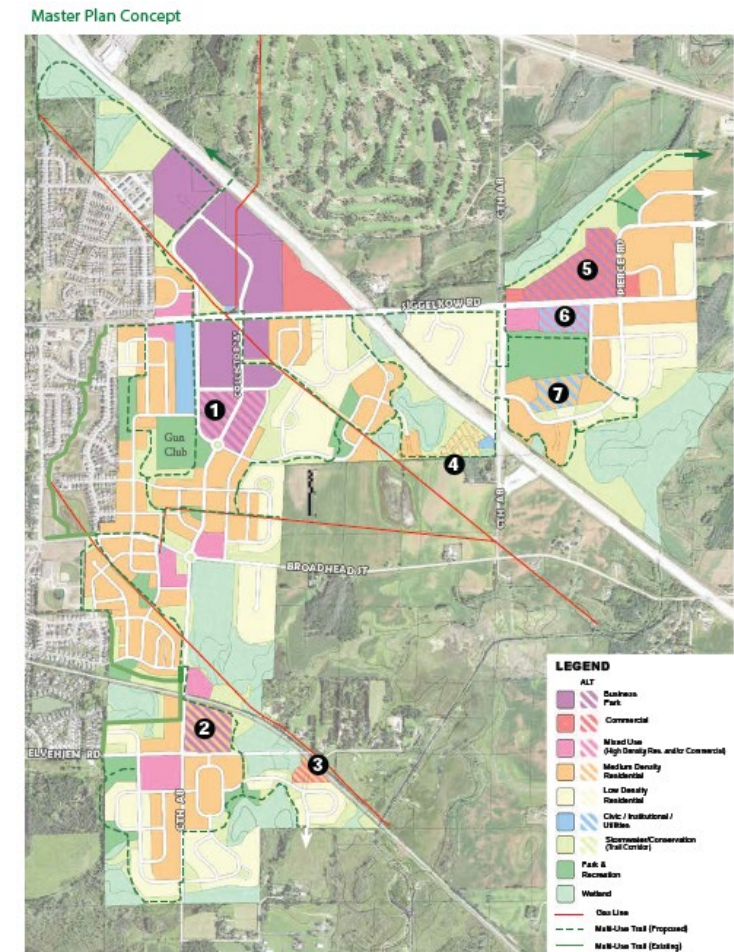
- Through zoning. The East Side Plan identifies using medium density residential development, open space, trails, and stormwater management areas as buffers along the shared boundary with the Secret Places subdivision between single family and business park uses.
- Through land division and street design. Develop new N-S business park roads to provide designated routes to Siggelkow Road.
- Through building and site design review. Design and locate new non-residential buildings for increased compatibility with existing and planned single family homes.

Master Plan Concept



The map shows Business Park (purple) bordering residential along Secret Places does that there wouldn't be a buffer ?

- No. The Master Plan Concept is a 30,000 foot view and is done without the benefit of more precise site suitability and engineering design.
- When individual development proposals are submitted site design and building design techniques can be used to improve compatibility between uses.



What Additional Future Planning, Design and Permitting is Required?

OVERVIEW OF FUTURE PLANNING, DESIGN AND PERMITTING

Upcoming TID 7 Meetings

- August 14 Community Development Authority Meeting (7 PM)
- August 28 Plan Commission Meeting (7 PM)
- October 8 Village Board Meeting (7 PM)
- Joint Review Board Meeting (TBD)

Near Term Public Projects

- Engineering designs and traffic studies for improvements to Siggelkow Road east to CTH AB.
- Urban Service Area Amendments to enable the extension of public sewer to the east side.
- Engineering designs and construction approval for public sewer and water extensions.
- Potential creation of a new zoning district for the business park.

Private Development

- Individual lot site planning and design.
- Submittal and approval of zoning, subdivision, site and building design permits.
 - Requires separate public hearings, review by the Plan Commission, and approvals by the Village Board.
- Submittal and approval of development incentive applications as needed
 - Requires review by the CDA and approval by the Village Board, including associated development agreement.

Will there be future opportunities to comment on Interstate Partners specific development proposal, or other development proposals on the East Side?

- Yes. The development of property requires multiple zoning and land use permits which require separate public hearings, recommendations, and approval by the Village. Examples include:
 - Voluntary preapplication concept development meetings
 - Rezoning permit applications
 - Subdivision and land division permit applications
 - Conditional Use Permit applications
 - Site Design Review permit applications

How can I stay informed of future meetings regarding TID #7 or Interstate Partners future development applications?

- Follow the Village on social media
- Subscribe to the Village's e-newsletter the *Lookout*
- Subscribe to the Community & Economic Development Departments monthly email

Staying Informed and Involved

[Sign up to receive emails](#) regarding pending develop applications before the Plan Commission and public engagement activities related to special Community & Economic Development planning projects. Generally speaking, one Department email is sent out per month.

**Additional Q&A
Tax Incremental Finance District No. 7
(East Side Business Park)
Public Informational Meeting**

July 30, 2024

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