



TAX INCREMENT FINANCE DISTRICT NO. 4  
AND  
COMPREHENSIVE PLAN OF REDEVELOPMENT NO. 3  
  
PROJECT AND REDEVELOPMENT PLAN

Lands located within the Village of Brown Deer  
within the Original Village Planned Development District and  
the North Teutonia Avenue Corridor

December 1, 2004

Prepared By:

Community Services Department

Village of Brown Deer  
4800 West Green Brook Drive  
Brown Deer, WI 53223

**Village Board**

Margaret Jaberg	Village President
Mark Askew	Trustee
Jeff Baker	Trustee
Carl Krueger	Trustee
Ron Kundinger	Trustee
Gary Springman	Trustee
Tim Schilz	Trustee

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Tim Schilz	Trustee
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**Village Staff**

Russell Van Gompel	Village Manager
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Jesse Thyges	Planning and Zoning Specialist

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**Attachments**

- Map #1 Project Area Boundaries
- Map #2 Existing Zoning and Conditions
- Map #3 Parcel Key Numbers
- Map #4 Proposed Land Uses and Conditions
- Map #5 Aerial Map
- Map #6 Public Infrastructure Improvements

Attachment #1 Cash Flow Proforma Analysis

Attachment #2 Attorney Opinion Letter

## **I. WISCONSIN TAX INCREMENT LAW INTRODUCTION**

Wisconsin Statutes Section 66.1101(1) declared that the policy of the State is “to encourage and promote the development of industry to provide greater employment opportunities and to broaden the State’s tax base to reduce the tax burden of residents and homeowners.” Locally, the Village of Brown Deer has created a Community Development Authority (CDA) designed to diversify the economic base of the Village through the retention and expansion of existing businesses.

One tool designed to help stimulate development is “Tax Increment Financing” (TIF). One stated purpose of the tax increment law (Wisconsin Statutes Section 66.1105) is to create a viable procedure by which a city or village, through its own initiative and efforts, may finance projects which will tend to accomplish the promotion of development and redevelopment. The State further enhanced and provided additional economic development opportunities through reforms to the TIF law in 2004.

The tax increment law allows a community to recapture the costs of public expenditures made to stimulate new development from the property taxes generated by the new development. The TIF law recognizes that without the TIF expenditures, the development could not have occurred.

Thus, the TIF law provides that all property taxes levied on increased property value within a TIF district are retained by the community to finance the public expenditures made within the district to attract new development. The base value (the value that existed at the time the district is created), however, continues to provide same level of property tax revenues to other taxing jurisdictions. Once all of the TIF expenditures have been repaid, the TIF district is dissolved, and all taxing jurisdictions collect taxes on the new property value created within the TIF district.

The TIF law requires that a city or village creating a TIF district prepare and adopt a project plan for the TIF district. This plan constitutes the project plan for the Village of Brown Deer’s Tax Increment District #4 as well as a comprehensive plan of redevelopment, as described below.

## **II. COMPREHENSIVE PLAN OF REDEVELOPMENT INTRODUCTION**

This comprehensive plan of redevelopment has been prepared by the Village of Brown Deer Community Development Authority pursuant to the requirements of Wisconsin Statutes Section 66.1333(6), as authorized under Wisconsin Statutes Section 66.1335, Housing and Community Development Authorities, and Wisconsin Statutes Section 66.1333, Blight Elimination. In the blight elimination and slum clearance statute (Section 66.1333), the following is stated:

“...it is found and declared that the existence of substandard, deteriorated, slum and blighted areas and blighted properties is a matter of statewide concern. It is the policy of this state to protect and promote the health, safety, morals and general welfare of the people of the state in which these areas and blighted properties exist by the elimination and prevention of these areas and blighted properties through the utilization of all means appropriate for that purpose, thereby encouraging well-planned, integrated, stable, safe, and healthful neighborhoods, the provision of healthful homes, a decent living environment and adequate places for employment of the people of this state and its communities in these areas and blighted properties. The purposes of this section are to provide for the elimination and prevention of substandard, deteriorated, slum and blighted areas and blighted properties through redevelopment and other activities by state created agencies and the utilization of all other available public and private agencies and the utilization of all other available public and private agencies and resources. State

agencies are necessary in order to carry out in the most effective and efficient manner the state's policy and declared purposes for the prevention and elimination of substandard, deteriorated, slum and blighted areas and blighted properties. State agencies shall be available in all the cities in the state to be known as the redevelopment authorities of particular cities and carry out and effectuate the provisions of this section when the local legislative bodies of the cities determine there is a need for them to carry out within their cities the powers and purposes of this section. Assistance which may be given by the cities or any other public bodies under this section is a public use and purpose for which public money may be expended. The necessity in the public interest for the provisions of this section is declared a matter of legislative determination.”

The comprehensive plan of redevelopment is intended to serve as a general framework or guide of development within which the various area, redevelopment and renewal projects may be more precisely planned and calculated. The plan designates the boundaries of the project area, and includes an existing land use plan which designates the general distribution and location of the various categories of land uses within the project area.

### **III. APPROVAL PROCESS**

State statutes are very specific as to how a TIF district and redevelopment plans are created. First, a TIF project plan is developed and presented to the Plan Commission for a formal public hearing. The Commission makes a recommendation on the TIF project plan to the Village Board. The Board then must pass a resolution adopting the TIF project plan and establishing the TIF boundaries. Finally, a Joint Review Board is created with members from the Village, school district, county, technical college district, and one member at large. The Joint Review Board reviews the TIF Plan and public hearing comments and approves the creation of the TIF district.

Documentation of all resolutions, notices, and minutes can be found as attachments to this Project Plan. Below is the timeline for the approval and implementation of TIF #4 and Redevelopment Plan #3.

September 20, 2004	Brown Deer Village Board met on and directed the Plan Commission and CDA to prepare draft project plan and preliminary boundaries.
December 13, 2004	Plan Commission and CDA reviewed draft project plan.
December 20, 2004	Village Board reviewed draft project plan and authorized formation of JRB.
December 21, 2004	Notice of public hearing sent to overlying taxing jurisdictions.
December 21, 2004	Owners of property within the boundaries of TID #4/Comprehensive Plan of Redevelopment #3 notified by certified mail of proposed designation of blighted area within TID #4/Comprehensive Plan of Redevelopment #3 and Public Hearing.
January 6 and 13, 2005	Notice published in North Shore Herald.
January 13, 2005	Organizational meeting of JRB held.
January 24, 2005	Public Hearing held (TIF and Redevelopment Plan).
January 25 – February 13	Comprehensive Plan of Redevelopment Written Comment Period.
January 31, 2005	Approval of Project and Redevelopment Plan and Boundary made by Plan

Commission and CDA and recommended to Village Board for adoption.

March 7, 2005                      Project plan adopted by resolution of Village Board.

March 21, 2005                    JRB final meeting held.

As required by Wisconsin Statutes Section 66.1105 (5)(b), a copy of the project plan will be submitted to the Wisconsin Department of Revenue and used as basis for the certification of TID #4.

This is to be used as the official plan that guides redevelopment activities within TID #4. Implementation of the project plan and construction of the proposed improvements will require a case-by-case authorization by the Village Board. The CDA will be the primary agent for implementing this project plan. Public expenditures for projects listed in the project plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The Village Board is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the project plan involving public review and Village Board approval.

**IV. JOINT REVIEW BOARD**

The TID #4 project plan was reviewed and approved by a Joint Review Board (JRB) as required by Wisconsin Statutes consisting of:

**Governmental Body**

**Representative**

Village of Brown Deer

Brown Deer School District

Milwaukee County

Milwaukee Area Technical College District

At-Large

The JRB held its organizational meeting on January 13, 2005, at which members voted to accept \_\_\_\_\_ as the At-Large Member and \_\_\_\_\_ as the JRB Chairman.

The final meeting was held on March 21, 2005. The JRB approved the Village's creation of TID #4.

**V. PLAN OBJECTIVES**

TID #4 is being created to eliminate blight and stimulate the redevelopment of the Original Village Planned Development District and the Teutonia Avenue corridor within the Village. This area of Brown Deer is characterized primarily by the existing development being stand-alone in nature, meaning there is little, if any, functional integration or interaction between the separate development sites, creating an environment that lacks community appeal, economic vitality and sustainability, and character. The decline has the potential to and in some cases already has created a blighting influence on the surrounding neighborhood.

The Village will assist with the redevelopment of vacant, blighted and underutilized properties by making public improvements to support new development and making funds available to the CDA to support redevelopment activities. The Project Plan includes incentives to encourage reinvestment in and reuse of vacant structures, and may include the acquisition of older buildings and the relocation of non-compatible commercial businesses. The redevelopment of these properties will stabilize property values in the area and add significant valuation to the community.

To achieve the goals outlined in the above paragraphs, the Project Plan includes the following objectives:

1. To eliminate blight by providing appropriate financial incentives to encourage private redevelopment efforts.
2. To eliminate blight by the acquisition of dilapidated structures and the relocation of non-compatible business uses.
3. To enhance the viability of businesses and uses in the area.
4. To improve the overall appearance of public and private spaces through streetscape, community identity, and traffic and accessibility improvements.
5. To increase the retention of existing businesses and the attraction of compatible new businesses.
6. To reduce the risk to the taxpayer by timing the implementation of the Project Plan with the creation of additional property value.
7. To enhance the cohesiveness of mixed uses within the district, blending boundaries, maximizing modes of transportation, and retaining and cultivating preserved lands.

Population density, land coverage and building intensity are all at lesser levels than adjacent areas due to the predominance of blighted, vacant and underutilized parcels within the District. Redevelopment activities proposed for the District will help to bring building density and land coverage up to a standard which is consistent with that of the surrounding areas.

## **VI. BOUNDARIES**

Prior to considering the specific area to include within the TID, the Plan Commission and CDA established criteria to act as a guideline in their work. The boundary criteria for a TID created to eliminate blight include the following:

1. The aggregate equalized value of taxable property in the TID plus value increment of all other TIF districts won't exceed 12% of the total equalized value of taxable property in the Village.
2. A minimum of 50 percent, by area, of the property in the TID must be a blighted area.
3. All lands within the TID shall be contiguous.
4. Property standing vacant for an entire 7-year period preceding the creation of the TID may not comprise more than 25% of the area in the TID.

TID #4 comprises approximately 136.7 acres and is predominantly business (retail and commercial) land uses. The boundaries of TID #4 are shown on map #1. Redevelopment District encompasses the same area as TID #4.

**TID #4 and Redevelopment District #3**

Total Area	136.7 acres
Area of Real Property (parcels)	64.98
Right-of-Way	71.72
Blighted Property	47.39
Blighted Area for Redevelopment	32
Vacant Parcels*	32.72
Area Zoned and Suitable for Business	32

(\* These parcels are presently vacant but no more than 25% of the area in TID #3 is “vacant” within the meaning of Section 66.1105(4)(gm)1.)

TID #4 and Redevelopment District #3 are served by North Teutonia Avenue, Green Bay Road, and numerous local Village streets. The project area includes lands located within the Village of Brown Deer within the Original Village Planned Development District as well as the North Teutonia Avenue corridor, bounded by the Village limits, Green Bay Road and American Transmission Company’s Power Lines to the east, West Bradley Road to the south, West Brown Deer Road to the north, and North Teutonia Avenue and American Transmission Company’s Power Lines to the west (Map #1). Map #2 shows the zoning of the property, and map #3 shows the parcel numbers which are keyed to the parcel list.

Name	Acres	Address			2004 Assessment			Vacant / Vacancies	Blighted
		#	Street	Key #	Land	Improvement	Total		
Schneeber/Maslin	0.283	8540	42nd Street	048-8950-002	29,600	104,700	134,300		
Mode	0.213	8550	42nd Street	048-8951-001	26,000	73,700	99,700		
Laatsch	0.249	8558	42nd Street	048-8952-001	30,400	91,300	121,700		
Meyer	0.265	8566	42nd Street	048-8955-001	32,300	85,000	117,300		
Kozak	0.185	8574	42nd Street	048-8956	25,800	66,700	92,500		
Harmon	0.249	8588	42nd Street	048-8960	32,500	111,300	143,800		
*Diane Harmon	0.489	8500-02	43rd Street				0	*	*
*CSI Lawncare	0.515	8520-22	43rd Street	048-8961-003	104,700	0	104,700	*	*
Grasse/Schust	0.437	8534	43rd Street	048-8962	46,900	88,200	135,100		
Puirello	0.26	8543	42nd Street	048-8963	31,700	75,200	106,900		
Parks/Hall	0.209	8551	42nd Street	048-8964	27,300	66,700	94,000		
Schallok	0.172	8559	42nd Street	048-8965	25,500	77,200	102,700		
Nelson	0.192	8567	42nd Street	048-8966	28,400	67,000	95,400		
Winker	0.181	8573	42nd Street	048-8967	26,800	71,300	98,100		
Burg	0.181	8581	42nd Street	048-8968	26,800	96,600	123,400		
Boschert	0.206	8587	42nd Street	048-8969	26,900	78,100	105,000		
*Robert Butzen	2.027	8601	43rd Street	047-9984-001	0	0	0	*	*
Evan Pavlovic	0.208	8604	43rd Street	048-8970	27,200	69,300	96,500		
Gyula Bogre	0.244	8610	43rd Street	048-8973	29,800	82,700	112,500		

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Vilis Cakans	0.386	8624	43rd Street	048-8974	39,300	87,800	127,100		
Ursula Sustar	0.355	8629	43rd Street	047-9986	30,700	88,200	118,900		*
Raymond Diderrich	0.913	8633	43rd Street	047-9987-002	38,900	117,400	156,300		*
Theresa Poth	0.355	8636	43rd Street	048-8977	33,800	88,200	122,000		
*Bella Properties	0.922	8655	43rd Street	047-9987-001	126,300	111,800	238,100		*
*Paul Rasmussen	0.349	8716	43rd Street	048-8981	30,300	105,900	136,200		*
*Village of Brown Deer DPW	3.602	8717	43rd Street	047-9988	0	0	0		*
Robert Schraufnagel	0.182	8757	43rd Street	047-9996	19,000	61,600	80,600		*
Marie Rose Pascale	0.275	8759	43rd Street	047-9997	28,800	92,100	120,900		*
*Sammy's	0.583	4102	Bradley Road	065-8951-001	159,000	160,600	319,600		*
*Vacant parcel E. of Sammy's	0.794		Bradley Road	065-8974-001	included w/ Hansen Storage		0	*	*
*STH 100 ROW	0.482		Brown Deer Rd.	027-9001	0	0	0	*	*
*	1.188		Brown Deer Rd.	027-9002	0	0	0	*	*
*We Energies	4.004		Brown Deer Rd.	047-9982	0	0	0	*	*
*C M ST P & P RR CO	1.038		Brown Deer Rd.	047-9981-001	0	0	0	*	*
*C M ST P & P RR CO	1.828		Brown Deer Rd.	047-9981-001	0	0	0	*	*
*C M ST P & P RR CO	0.753		Brown Deer Rd.	047-9981-001	0	0	0	*	*
CRH, Inc.	0.758	4301	Brown Deer Rd.	028-9985-003	261,700	2,244,000	2,505,700		
*CRH, Inc.	0.59	4343	Brown Deer Rd.	028-9985-004	191,700		191,700	*	*
Scholz	0.159	8581	Deerwood Dr.	048-8957-001	22,200	97,800	120,000		
Chmielewski	0.173	8589	Deerwood Dr.	048-8958	27,100	89,000	116,100		
Kenehan	0.182	8595-97	Deerwood Dr.	048-8959	28,500	87,600	116,100		
Monika Petras	0.242	8605	Deerwood Dr.	048-8971	29,500	86,300	115,800		
Russell Kotlarek	0.233	8611	Deerwood Dr.	048-8972	28,400	114,900	143,300		
Leland Balisterri	0.443	8627-29	Deerwood Dr.	048-8975	36,400	105,900	142,300		
Craig Epstein	0.391	8639	Deerwood Dr.	048-8976	33,000	95,700	128,700		
*Doray Levendusky (Vacant)	1.156		Deerwood Dr.	048-8978	135,300		135,300	*	*
Mike Benson	0.459	8669	Deerwood Dr.	048-8979	90,200	195,300	285,500		
*Endtime Ministries, Inc.	0.398	8705	Deerwood Dr.	048-8980	0	0	0		*
*Bethlehem Baptist	3.936	8710	Deerwood Dr.	048-8996-001	0	0	0		*
*CLL Properties	0.67	8726	Deerwood Dr.	048-8987	30,800	107,900	138,700		*
Valerie Boyd	0.182	8727	Deerwood Dr.	048-8982	27,000	62,800	89,800		
*CLL Properties	0.684	8734	Deerwood Dr.	048-8988-001	68,200	55,500	123,700		*
*Steven & Cynthia Ehlers	0.145	8737	Deerwood Dr.	048-8984	18,200		18,200	*	*
Steven & Cynthia Ehlers	0.416	8737	Deerwood Dr.	048-8983	86,800	216,600	303,400		
Anthony & Julie Reno	0.472	8740-42	Deerwood Dr.	048-8989-001	93,000	201,300	294,300		
Anthony & Julie Reno	0.308	8752	Deerwood Dr.	048-8990-001	52,800	100,900	153,700		
James Jagodzinski	0.181	8759	Deerwood Dr.	048-8985	41,900	51,500	93,400		
Audio Emporium	0.496	8766	Deerwood Dr.	048-8991	130,500	233,100	363,600		
Dale & Janet Kassns	0.17	8777	Deerwood Dr.	048-8986	67,400	191,400	258,800		
Vivian Kaiser	0.487	8806	Deerwood Dr.	027-8993-001	259,500	1,000	260,500		*
*Kenneth Eichenbaum	0.411	4100	River Lane	027-8989-001	108,900	213,500	322,400		*
*David H. Ehlers	0.432	4113	River Lane	048-8994	35,700	93,900	129,600		*
*Karen V. Krolikowski	0.353	4125	River Lane	048-8993	33,600	103,400	137,000		*
*Wm. & Angela Spransy	0.127	4133	River Lane	048-8992	21,000	94,200	115,200		*
*G & B Coffee Shop	0.339	4134	River Lane	027-8992	108,900	47,900	156,800		
James Marks	1.155	4313	River Lane	047-9998-001	210,600	319,100	529,700		

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*vacant	0.45	4331	River Lane	047-9994	92,800		92,800	*	*
*CRH, Inc.	0.391	4335	River Lane	047-9993	82,000		82,000	*	*
NSFD Station	1.5	4401	River Lane	047-9989	0	0	0		
*API Supply Co.	1.035	4429	River Lane	047-9981-002	114,100		114,100	*	*
*Hansen Storage**	13.423	8100	Teutonia Avenue	065-8974-001	926,000	2,532,000	3,458,000	*	*
** This site also contains (2) homes @ 8172 and 8178							0		
*Vacant Medical Building	1.542	8200	Teutonia Avenue	065-8975	208,500	504,400	712,900	*	*
*Vacant Parcel (N. of 8200)	0.87	8218	Teutonia Avenue	065-8976	94,900		94,900	*	*
Seider (office/shop)	0.844	8232	Teutonia Avenue	065-8977	142,400	260,800	403,200		
Thompson (dog grooming)	0.863	8254	Teutonia Avenue	065-8978	141,100	41,900	183,000		
Rasmussen (public garage)	1.198	8280	Teutonia Avenue	065-8979-001	199,600	338,300	537,900		
Luekert Props. (carwash)	0.996	8300	Teutonia Avenue	065-8981-001	171,200	199,500	370,700		
Stalker Props. (offices)	0.946	8330	Teutonia Avenue	065-8983-002	164,200	199,700	363,900		
	64.98				5,700,300	11,505,700	17,206,000		

**VII. EXISTING ZONING AND LAND USES**

Existing land uses and the conditions of real estate are shown on Map #2. Existing uses within the project area include commercial, retail, professional office, and limited residential. Zoning districts within the project area include OVPD, B3, M and R1.

Existing development within the project area includes the Original Village Planned Development district, including several retail/service orientated businesses, North Shore Fire Department headquarters, Village of Brown Deer's Public Works Facility, several single family homes, Hanson Storage and manufacturing facility, and office buildings.

The existing development is stand-alone in nature, meaning there is little, if any, functional integration or interaction between the separate development sites, creating an environment that lacks community appeal, economic vitality and sustainability, and character.

**VIII. STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS WITHIN THE DISTRICT**

TID #4 of the Village is created primarily to eliminate blight and rehabilitate and conserve the impacted area as authorized by Wisconsin Statutes Section 66.1105, to provide greater employment opportunities, to broaden the property tax base and to relieve the tax burden of residents and home owners. In order to attain such results, the Village contemplates engaging in a number of public expenditures which it deems "project costs". Due to their designation as project costs, the following expenditures will be eligible to be paid from tax incremental revenue produced from TID #4.

**A. Municipal Infrastructure Improvements**

- Construction of streets to facilitate development within the District. Scope of work shall include right of way acquisition, land assembly, grading, gravel, curb and gutter, asphalt, street lights, traffic signals, walkways, paving, lighting, and related appurtenances.
- Demolition, removal or razing of existing structures. Projects may include environmental cleanup and studies, and the relocation of utilities, signs, fencing, powerlines and other related activities.
- Construction of a sanitary sewer collection system. Project may include sewer mains, manholes, laterals, force main, and related appurtenances,
- Construction of water distribution mains. Projects may include valves, hydrants, service connections, laterals and other related appurtenances,
- Construction of storm water drainage facilities. Projects may include detention basins, storm sewer pipe, manholes, inlets, drains and related appurtenances,
- Installation of electric and/or natural gas service. Acquisition of equipment to service the District.

The location of these municipal infrastructure improvements are shown on Map #6.

**B. Imputed Administrative Costs**

Including, but not limited to, a portion of the salaries of the Village employees and Elected Officials, professional fees, and others directly involved with the projects over the expenditure period.

**C. Organization Costs**

Including, but not limited to, publication and printing costs in connection with this Plan as well as the fees for the financial consultants, attorney, engineers, planners, surveyors, map makers, and other contracted services.

**D. Land Assembly and Real Estate Acquisition**

Including, but not limited to, the costs of titles, easements, appraisals, consultant fees, closing costs, surveying and mapping, and the lease and/or the sale of property at or below market price to encourage or make feasible an economic development project, less all revenues received from the sale or lease of interests in property .

**E. Relocation Costs**

Including, but not limited to, the cost of a relocation plan, director, staff, publication, appraisals, title searches and relocation benefits as required by Wisconsin Statutes 32.19 through 32.195.

**F. Financing Costs**

Interest, finance fees, bond discounts, bond redemption premiums, bond legal opinions, credit ratings, capitalized interest, bond insurance and other expenses related to financing. This would also include reimbursement of principal and interest to the Village using surplus TID revenues in later years to offset up-front principal and interest payments made with Village funds.

**G. Contributions**

Contributions made to the CDA under Wisconsin Statutes Section 66.1333(13) in connection with the implementation of this Project Plan.

**H. Discretionary Payments**

Any payments made, in the discretion of the Village Board, which are found to be necessary or convenient to the creation of TID #4 or the implementation of this Project Plan. These payments would include certain development incentives to be negotiated on a parcel by parcel basis in order to attract new taxable property into the District.

**I. Contingency Amounts**

Reasonable contingency amounts with respect to all project costs noted above to provide for cases of project costs in any category above being higher than estimated.

**J. Promotion and Development**

Promotion and Development of TID #4 including professional services for marketing, recruitment, Realtor commissions and fees in lieu of commissions, marketing services and materials, advertising costs, administrative costs and support of development organizations are all eligible costs under this section.

**IX. DETAILED LIST OF ESTIMATED PROJECT COSTS**

In order to determine the economic feasibility of the proposed TID #4, total project costs must be estimated and compared to the projected tax increments that will be generated by the new development in the TIF district. Based on 2004 construction costs, TID #4 improvement costs are estimated as follows:

<b>Brown Deer TID #4 Planned Project Costs</b>	
<b>Proposed Improvements</b>	<b>Total TID Cost</b>
A. Municipal Infrastructure Improvements	\$3,250,000
B. Imputed Administrative Costs	\$210,000
C. Organization Costs	\$50,000
D. Land Assembly and Real Estate Acquisition	\$1,000,000
E. Relocation Costs	\$75,000
F. Financing Costs	\$35,800
G. Contributions	- 0 -
H. Discretionary Payments	\$1,250,000
I. Contingency	\$300,000
J. Promotion and Development	\$50,000
<b>TID Subtotal</b>	<b>\$6,220,800</b>
Capitalized Interest	\$250,958
Financing Costs	\$35,800
<b>TOTAL TID PROJECT COSTS</b>	<b>\$6,471,758</b>

The total of estimated TID project costs is \$6,220,800. Since some of the project costs will be incurred before TIF revenues may be collected, the Village may have to finance the negative TIF fund balance through borrowing. Based on the worst case development scenario, the borrowing and capitalized interest will add an additional \$250,958 in TID financing costs, bringing the total estimated TID #4 costs to \$6,471,758. Interest on the obligations issued to pay project costs will also be payable from TIF revenues. All project costs and borrowing estimates are based on the most current data available in December, 2004 and may be adjusted without modification or amendment of this TID #4 Project Plan.

The actual dates of land acquisition and construction will be contingent on the commitment of private redevelopment projects to build new buildings or renovate existing buildings that will generate sufficient tax increments over the life of the TIF district to cover the TIF project costs.

## **X. ECONOMIC FEASIBILITY AND METHODS OF FINANCING**

In order to evaluate the economic feasibility of the TID, it is necessary to project the amount of tax incremental revenue that can reasonably be generated from the district. The ability of the municipality to finance proposed projects must also be determined. TID #4 is economically feasible if the tax incremental revenue projected to be generated over the life of the TID is sufficient to pay all project and financing costs incurred during the TID's expenditure period. The components of such an analysis include:

- A. The expected increase in property valuation due to inflation and the impact of general economic conditions on the TID.
- B. The expected increase in property valuation due to new development encouraged by the TID.
- C. Any change that may take place in the full value tax rate.

Following is a discussion of these components. Financing issues are discussed in the next section.

### **Inflation**

The inflation rate, for the purpose of making projections of equalized value, will be a very conservative 3%. Inflation for purposes of projecting future project costs is assumed to be 3%.

### **Increase in Property Value**

TID #4 contains a total of approximately 65 acres of net real property (excluding street and right-of-ways of approximately 72 acres). Due to the expenditures made under the previous section, the Village feels that approximately 32 acres of this net real property will be suitable to attract additional commercial development.

Redevelopment will create increased property valuation. The increase in property valuation is estimated from the following projects. Other improvements and redevelopment projects, which were not anticipated at the time this Project Plan was prepared, may occur within the TID.

- 1) Hanson Storage / Medical Art's Building Sites  
\$4,500,000 additional value; expected to occur in 2006.
- 2) Original Village Planned Development District  
\$4,000,000 - \$6,500,000 additional value; redevelopment expected to commence in 2005/2006.
- 3) Additional commercial development  
\$2,000,000 additional value; to occur in 2007 and beyond

*(Note: The increase in the potential valuation generated from the vacant sites can be projected based on estimates from potential redevelopment scenarios, while other figures are based on conservative projections of available lots and market costs.)*

### **Full Value Tax Rate**

The third variable to consider in projecting TID revenues is the full value tax rate. The full value tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. The following chart summarizes the historic full value tax rate in the Village between 1998 and 2003.

<b>Village of Brown Deer Equalized Full Value Property Tax Rate &amp; Equalized Values</b>		
<b>Levy Year</b>	<b>Tax Rate/\$1,000</b>	<b>Total Equalized Value</b>
1998	31.67	771,893,400
1999	30.46	775,976,307
2000	31.37	795,002,801
2001	32.07	821,807,302
2002	31.00	864,832,900
2003	32.03	893,424,500
2004	26.64	958,886,600

**Revenue Conclusions**

Utilizing an average inflation rate of 3 percent, projected construction increment of \$13 million, and an initial full value rate of \$25.68 which is projected to remain the same, the projected TIF revenue from TID #4, as shown on attachment #1 is expected to be \$12,945,384, or expenditures recovered within 19 years.

**Financing Methods**

An important aspect to consider in assessing the economic feasibility of TID #4 is the ability of the Village to finance desired projects to encourage development. Financial resources available to the Village include general obligation notes and bonds, revenue bonds, CDA revenue bonds, special assessments, and federal and state community development programs. Additionally, a Community Development Authority may finance project costs within a TID and the Village may apply TID revenue to the CDA to service the debt incurred to finance eligible projects within the TID.

General obligations of the Village are limited by state law to five percent of the equalized property value. The Village has a current total debt capacity of \$47,994,330 and \$9,023,057 in existing General Obligation debt. Using this data, the current remaining debt capacity is \$38,921,273. Not all anticipated project costs will need to be borrowed. For example, TID administration costs will be relatively small on an annual basis and can be paid out of Village operating funds and reimbursed from the TID when funds are available.

**Revenue Bonds**

A primary source of financing is revenue bonds repaid from fees for services charged by the Village. Common examples of such revenue are charges made for sewer and water usage. There is no statutory limitation on the amount of revenue bonds that can be issued, however, the Village must demonstrate to the bond underwriters that it has the ability to repay the debt from anticipated revenues.

**CDA Revenue Bonds**

A second financing technique available to the Village is the issuance of CDA Revenue Bonds by the CDA. The issuance of CDA Revenue Bonds by the CDA (with approval of the Village Board) provides several advantages to the Village as follows:

- CDA bonds are exempt from state income taxes resulting in interest costs at or below the Village’s normal general obligation bond interest costs.

- CDA bonds are not considered “debt” under existing state statutes and therefore would not be counted towards the Village’s debt limit (currently 5% of equalized value or \$47,994,330) except to the extent the Village might choose to provide general obligation backing.
- Additional costs and programs associated with the Project can be funded through the CDA and become eligible costs to be recouped from future increment.
- The CDA redevelopment plan and the TID plan can be integrated, thereby more efficiently allowing the CDA to manage future development within the Project Area.

**Special Assessment Bonds**

Some project costs can potentially be paid through special assessments levied on properties directly benefiting from the improvements. Costs of streets, curbs, gutters, and sewer and water extensions are commonly paid through special assessments. The Village can issue special assessment bonds, pledging revenues from the special assessments on individual properties to repay the debt. Property owners are generally permitted to pay the special assessments in installments. These bonds are not counted against the Village’s constitutional debt limit.

**Timetable**

The Village has an expenditure period of 22 years, until 2027, to construct the projects outlined in this Project Plan. The time schedule set forth below is preliminary and for budgeting purposes only. The Village Board is not mandated to make the improvements defined in this plan, as each project will require item-by-item review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints existing at the time a project is scheduled for consideration. Actual implementation of the projects proposed in this Project Plan may be accelerated or deferred, depending on the conditions existing at the time.

<b>Brown Deer TID #4 Planned Project Costs Timetable</b>								
<b>Proposed Improvements</b>	<b>Total TID Cost</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
A. Municipal Infrastructure Improvements	\$3,250,000	500,000	1,500,000	1,000,000	250,000			
B. Imputed Administrative Costs	\$210,000	20,000	60,000	50,000	30,000	30,000	10,000	10,000
C. Organization Costs	\$50,000	15,000	15,000	15,000	5,000			
D. Land Assembly and Real Estate Acquisition	\$1,000,000	,500,000	500,000					
E. Relocation Costs	\$75,000	15,000	60,000					
F. Financing Costs	\$35,800							
G. Contributions	- 0 -							
H. Discretionary Payments	\$1,250,000	500,000	500,000	250,000				
I. Contingency	\$300,000							
J. Promotion and Development	\$50,000	15,000	20,000	15,000				

### **Analysis Of Overlying Taxing Districts**

Taxing Districts overlying the Village of Brown Deer TID #4 include Milwaukee County, Brown Deer School District, and Milwaukee Area Technical College. Impact on the overlying taxing districts is based on the percentage of tax collections in TID #4 in 2004. Total TIF Increment over the life of the district is divided by a proportionate share of each taxing jurisdiction.

Many of the projects planned for the TID would not occur or would occur at significantly lower values but for the availability of tax incremental financing. TID #4 is a mechanism to make improvements in an area of Brown Deer which is experiencing blighting influences and to support growth in the Village's tax base. All taxing jurisdictions will benefit from the increased property values and community vitality which will result from the projects planned in TID #4.

## **XI. PROPOSED CHANGES IN ORDINANCES, CODES AND PLANS**

Implementation of the comprehensive development plan may require rezoning portions of the project area to PD-Planned Development District, or in some instances, maintaining the existing zoning. The Village Zoning Code is referenced in the redevelopment plan and is contained in Chapter 6 of the Village of Brown Deer Zoning Code. The Planned Development Zoning District allows more flexibility and efficiency in the site design, while at the same time providing the Village with the ability to assure that the site design fulfills the development goals and objectives.

## **XII. LIST OF ESTIMATED NON-PROJECT COSTS**

There are no project costs planned for TID #4 which would directly benefit property outside the TID, therefore there are no "non-project" costs.

## **XIII. METHODS OF RELOCATION OF DISPLACED PERSONS**

Any properties acquired by the Village of Brown Deer under this Tax Increment Financing District Plan are being purchased to stimulate urban redevelopment. Should displacement or relocation be required, the Village of Brown Deer will follow all Wisconsin Statute and Administrative Rules pertaining to relocation. The Village will prepare proper relocation plans to be submitted for approval to the Department of Commerce, and will work with impacted displacees should it be necessary.

## **XIV. STATEMENT INDICATING HOW THE CREATION OF THE TID PROMOTES THE ORDERLY DEVELOPMENT OF THE VILLAGE OF BROWN DEER**

The creation of TIF #4 and redevelopment district #3 as well as the implementation of the projects in the TIF Project Plan will promote the orderly redevelopment of the Village of Brown Deer by eliminating blight, assembling parcels of land suitable for redevelopment, and providing financial incentives for private redevelopment projects.

By utilizing the provisions of the Tax Increment Financing Law, the Village can stabilize property values and attract new investment that results in increased tax base. Redevelopment will occur in an orderly fashion in accordance with an approved plan that is compatible with adjacent land uses. Development of the new uses in TIF #4 will add to the tax and employment base of the community, and will generate positive secondary impacts in the community and economic vitality to the area.

**XV. ATTORNEY OPINION LETTER**

Quarles & Brady, LLP has reviewed the Project Plan, as special counsel to the Village, and its opinion letter is attached.

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