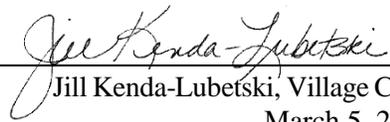


JOINT REVIEW BOARD
March 10, 2015
Earl McGovern Board Room, 4:00 P.M.



PLEASE TAKE NOTICE that a meeting of the Community Development Authority will be held in the Earl McGovern Board Room at the Village Hall of the Village of Brown Deer, 4800 West Green Brook Drive, Brown Deer, Wisconsin at the above noted time and date, at which the following items of business will be discussed and possibly acted upon:

- I. Roll Call
- II. Persons Desiring to be Heard
- III. Consideration of Minutes: February 5, 2015 – Regular Meeting
- IV. New Business
 - A) Review and Approval of Amended Tax Incremental Financing (TIF) District #2 Project Plan and revised TIF boundaries
- V. Adjournment



Jill Kenda-Lubetski, Village Clerk
March 5, 2015

PERSONS REQUIRING SPECIAL ACCOMMODATIONS FOR ATTENDANCE AT THE MEETING SHOULD CONTACT THE VILLAGE CLERK AT LEAST ONE BUSINESS DAY PRIOR TO THE MEETING.

**MEETING OF THE JOINT REVIEW BOARD
FEBRUARY 5, 2015 MEETING MINUTES
HELD AT THE BROWN DEER VILLAGE HALL
4800 WEST GREEN BROOK DRIVE**

The meeting was called to order by the Village Clerk, Jill Kenda-Lubetski, at 4:00 P.M.

I. Roll Call

Present: Village President Carl Krueger; Dr. Deb Kerr, Brown Deer School District; John Coons; Tieg Whaley-Smith, Milwaukee County (via telephone)

Also Present: Michael Hall, Village Manager; Nathaniel Piotrowski, Community Services Director; John Fuchs, Village Attorney; Jill Kenda-Lubetski, Village Clerk; Brad Viegut, R.W. Baird; Emily Koczela, Director of Finance – Brown Deer School District

II. Persons Desiring to be Heard

None.

III. Report of Staff

None.

IV. New Business

B. Designate At-Large Member

It was moved by Carl Krueger and seconded by Dr. Kerr to appoint John Coons as the at-large member for the Joint Review Board. The motion carried unanimously.

A. Designate Chairperson

It was moved by Mr. Coons and seconded by Dr. Kerr to elect Village President Carl Krueger as the Chairperson of the Joint Review Board. The motion carried unanimously.

C. Presentation of Amended TIF District #2 Project Plan and revised boundaries and possible action as to recommendation

Attorney Fuchs stated the Joint Review Board must convene and membership is represented by Carl Krueger for the Village of Brown Deer; Dr. Deb Kerr for the Brown Deer School District; Tieg Whaley-Smith for Milwaukee County (via telephone); and John Coons as the At-Large Member.

Al Shoreiba, representative of Milwaukee Area Technical College District, was scheduled to be present, but did not appear.

Attorney Fuchs stated that all entities with a representative in attendance have an interest in this project. He also stated that Brad Viegut, Managing Director for Robert W. Baird & Co., Inc., was in attendance to explain the projected financial impact the amendment will have to TIF District#2.

Mr. Piotrowski presented the Amended Tax Incremental Finance District (TIF) No. 2 Project Plan. He discussed the TIF District's history, composition, current and base values and the properties that are proposed to be added. These properties, all along N. 47th Street, between W. Parkland and W. Bradley Road are: the existing Lighthouse parcel, the former Algonquin School site and the very small, .03 acres, outlot owned by Milwaukee County. He went on to describe the project plan's projected expenses and increment. The expenses included Lighthouse acquisition of real estate and the build out of full infrastructure on the Lighthouse and Algonquin School sites. The incremental value

was computed using current market conditions with anticipated single family residential development on the Algonquin site and modest multiple family residential development on the Lighthouse property.

Mr. Viegut provided an explanation of the Cash Flow Proforma Analysis that showed that the TID would close in 2022, with more revenue than expenditures. Mr. Piotrowski noted that this analysis was very conservative because the Algonquin site increment was not included due to it being a long term development scenario and one that the School Board has not even made a final decision about.

Dr. Kerr introduced Emily Koczela, Director of Finance for the Brown Deer School District. Ms. Koczela wanted to confirm what authority the school district had over the redevelopment of the Algonquin property. Mr. Piotrowski responded that the school district has ultimate authority over the sale and development of this private property. Mr. Piotrowski said the land use however would be controlled by the Village's zoning code.

Ms. Koczela wanted to know if there was a sale and there was tax revenue, would it go to the school district only. Mr. Viegut stated any tax revenue would go to the TIF until it was closed and then be distributed to all tax entities as usual.

A discussion ensued as to a TIF District's impact on the School District and other taxing entities.

Attorney Fuchs stated that the impact of this amendment was negligible because the only tax generating parcel was the Lighthouse property and that the revenue was only going to be diverted until 2022, while extending the TIF District boundaries over the School District's property would make it more attractive as a saleable lot. Attorney Fuchs added that this amendment was being pursued instead of a new TIF District which would last 27 years and be a less financially prudent decision for all parties at this time.

Ms. Koczela asked if the TIF could close early. Mr. Viegut stated it was possible to perhaps to pay off the TIF early, in 2020 or 2021.

Mr. Krueger reiterated that this TIF will expire in seven (7) years. He opined that he preferred seven years as opposed to 27 years for a new TIF district because there is the potential for a very good outcome for all taxpaying entities with the shorter term especially given the conservative financial estimates which does not assume any residential development on the Algonquin property.

Mr. Whaley-Smith wanted to know if the Village will be acquiring the Lighthouse parcel and if the Village was paying full appraised value. Mr. Piotrowski responded that the acquisition was for the full appraised value.

Mr. Whaley-Smith also questioned why it says in Section III that the JRB would vote to accept Galyn Bennett as the At-Large Member. Mr. Piotrowski stated that Mr. Bennett was no longer participating due to extenuating circumstances and this was a typographical error as it should now read John Coons.

Ms. Koczela asked if there was any legal authority to extend the TIF beyond 2022. Mr. Viegut stated that it was possible to add an additional three years (following the meeting, further research by Mr. Viegut revealed the TIF could not be extended).

Dr. Kerr wanted to know if there would be any interest in a partnership to develop the Algonquin parcel. Attorney Fuchs responded there would definitely be an interest to partner with the school to develop the area, including utilizing the site and its redevelopment as a learning tool for students.

Mr. Coons wanted to know if multi-family housing would be considered for the Algonquin and Lighthouse parcel. Mr. Piotrowski responded that there was a possibility of multiple family redevelopment on the Lighthouse site but noted that no new development was currently proposed and any new use would need full Village approvals. He added that the Bradley West Shopping Center is underutilized and could possibly be incorporated into the Lighthouse redevelopment if a larger scale proposal was envisioned. Finally, he noted that Staff envisioned only single family or

at most two family dwellings on the Algonquin site based on current zoning and neighborhood opinion. Attorney Fuchs stated that this project plan will come back to at the Joint Review Board for final consideration and recommended that the Board move to take preliminary action.

It was moved by Dr. Kerr and seconded by Carl Krueger to approve and concur Refer the Amended Project Plan to the Plan Commission for a Public Hearing and Village Board for final review. The motion passed unanimously.

The next JRB meeting is March 10, 2015 at 4:00 p.m. Mr. Whaley-Smith and Mrs. Coons will participate via telephone.

V. Adjournment

It was moved by Village President Krueger and seconded by Mr. Coons to adjourn at 4:59 p.m. The motion carried unanimously.

Jill Kenda-Lubetski, Village Clerk



AMENDED TAX INCREMENTAL FINANCE DISTRICT NO. 2
PROJECT PLAN

Date to be inserted on final approval

Prepared By:

Community Services Department

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

Village Board

Carl Krueger	Village President
Terry Boschert	Trustee
Jeff Baker	Trustee
Jaime Awe	Trustee
Bob Oates	Trustee
Gary Springman	Trustee
Tim Schilz	Trustee

Community Development Authority

Carl Krueger	Chair
Tim Schilz	Trustee
Claude Williams Jr.	Member
John Coons	Member
Ron Kunding	Member
Ted Wagner	Member

Plan Commission

Carl Krueger	Chair
Tim Schilz	Trustee
Jeff Baker	Trustee
Susan Bellehumeur	Commissioner
Dan Bednar	Commissioner
Bill Hoffmann	Commissioner
Al Walters	Commissioner
Ryan Schmitz	Commissioner
Jeff Jaroczynski	Commissioner

Village Staff

Michael Hall	Village Manager
Nate Piotrowski	Community Development Director

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Attachments

Map #1	Project Area Boundaries
Map #2	Existing Zoning
Map #3	Parcels with 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. AMENDED PROJECT PLAN INTRODUCTION

In January 1995 the Village of Brown Deer created Tax Incremental Financing (TIF) District #2. This district was developed pursuant to Wisconsin Statutes 66.1105 to create a viable procedure by which the Village, through its own initiative and efforts, may finance projects which will tend to accomplish the promotion of development and redevelopment. This amended project plan has been prepared by the Village of Brown Deer Plan Commission pursuant to the requirements of Wisconsin Statutes Section 66.1105 to address an additional area immediately adjacent to the existing TIF district boundaries which is in need of redevelopment.

The amended project plan is intended to serve as a general framework or guide for development within the amended area. The plan designates the boundaries of the amended project area, and includes an existing land use map which designates the general distribution and location of the various categories of land uses within the project area.

II. APPROVAL PROCESS

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

Documentation of all resolutions, notices, and minutes can be found as attachments to this Amended Project Plan. Below is a schedule for the approval and implementation of TIF DISTRICT #2 AMENDED PROJECT PLAN.

December 15, 2014	The Brown Deer Village Board met and directed the Plan Commission to prepare and review a draft project plan and preliminary boundaries for a new TIF, which, upon further review, was determined best served by amendment to existing TIF #2
January 15, 2015	Published Class 2 notice for Public Hearing at Plan Commission, with notification to all affected property owners and taxing authorities, about the draft amended project plan and preliminary boundaries.
February 5, 2015	Organizational meeting of the Joint Review Board (JRB) held.
February 10, 2015	Plan Commission reviewed draft amended project plan with public hearing and made recommendation to the Village Board.
March 2, 2015	Village Board reviewed amended draft project plan and adopted a resolution establishing the project plan.
March 10, 2015	JRB final meeting held.

As required by Wisconsin Statutes Section 66.1105 (5)(b), a copy of the amended project plan will be submitted to the Wisconsin Department of Revenue and used as a basis for the certification of Amended TIF District #2.

III. JOINT REVIEW BOARD

The AMENDED TIF DISTRICT #2 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	Carl Krueger
Brown Deer School District	Dr. Deb Kerr
Milwaukee County	Teig Whaley-Smith
Milwaukee Area Technical College District	Al Shoreiba
At-Large	John Coons

The JRB held its organizational meeting on February 5, 2015, at which members voted to accept Gayln Bennett as the At-Large Member and Carl Krueger as the JRB Chairman.

The final meeting was held on March 10, 2015. The JRB approved the Village's creation of AMENDED TIF DISTRICT #2.

IV. PLAN OBJECTIVES

TIF District #2 is being amended to eliminate blight and stimulate the redevelopment of the former Lighthouse assisted living facility at 7909-11 N. 47th Street and the former Algonquin School lands. These parcels are either vacant, underutilized or characterized by outmoded buildings and dated development patterns that are stand-alone in nature, meaning there is little, if any, functional integration or interaction between adjacent development sites, creating an environment that lacks community appeal, economic vitality, sustainability and character.

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

1. To eliminate blight by providing appropriate financial incentives to encourage private redevelopment efforts.
2. To diversify the Village's residential housing stock by adding new styles and types of single and multiple family dwellings while enhancing the Village's residential tax base.
3. To eliminate blight by the acquisition of dilapidated structures and the relocation of non-compatible business uses.
4. To enhance the viability of businesses and uses in the area.

5. To improve the overall appearance of public and private spaces through streetscape, community identity, and traffic and accessibility improvements.
6. To increase the retention of existing businesses and the attraction of compatible new businesses.
7. To reduce the risk to the taxpayers by timing the implementation of the Amended Project Plan with the creation of additional property value.
8. To enhance the cohesiveness of mixed uses within the district, blending boundaries, maximizing modes of transportation, and retaining and cultivating preserved lands.

V. BOUNDARIES

Prior to considering the specific area to include, the Plan Commission, pursuant to Wisconsin State Statutes, established criteria to act as a guideline in their work. The boundary criteria for a TIF district created to eliminate blight includes the following:

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

The proposed amended TIF District #2 meets all of these criteria.

Amended TIF District #2 comprises approximately 12.10 acres and is predominantly vacant land uses. The boundaries of TIF District #2 along with the amended parcels are shown on Map #1.

Amended TIF DISTRICT #2 Area

Amended Area of Real Property (parcels)	12.09 acres
Amended Right-of-Way	.01 acres
Amended Blighted Property	12.09
Amended Blighted Area for Redevelopment	12.09
Amended Vacant Parcels*	9.20
Amended Area Zoned and Suitable for Business	2.89

(* The School District property parcel is presently vacant and while it is more than 25% of the area of the Amended TIF, the vacancy has been less than seven years within the meaning of Section 66.1105(4)(gm)1.)

The Amended TIF District #2 includes lands located within the Village of Brown Deer bounded by N. 47th Street on the East, Milwaukee County’s Algonquin Park on the West, private property including Brown Deer Lanes on the North and W. Parkland Avenue on the South (Map #1). Map #2 shows the zoning of the amended property, and Map #3 shows the parcel numbers which are keyed to the amended parcel list below.

2014 Taxpayer		Address			2014 Assessment			Vacant / Vacancies	Blighted
Name	Acres	#	Street	Key #	Land	Improvement	Total		
Milwaukee County	.03	0	N. 48 th Street	085-0239	0	0	0	*	*
School District of Brown Deer	9.17	7841	N. 47 th Street	085-9954	0	0	0	*	*
New Perspectives Real Estate Holdings	2.89	7909-11	N. 47 th Street	085-9952-001	218,100	879,700	1,097,800		*

VI. 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 community based residential. Zoning districts within the project area are PD – Planned Development and R3-Single Family residential.

Existing development within the project area includes the Lighthouse assisted living facility and two vacant parcels.

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.

VII. STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS WITHIN THE DISTRICT AND WITHIN A HALF MILE THEREOF

TIF District #2 is amended 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 public expenditures which it deems "project costs" within the area of the district and within an area up to one half mile surrounding said district for the benefit of the district. Due to their designation as project costs, the following expenditures will be eligible to be paid from tax incremental revenue produced from the TIF District #2.

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.
- Improved access to Milwaukee County’s Algonquin Park via new sidewalks, paths and roadways along with improved infrastructure and equipment.

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 TIF 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 the amended TIF District #2 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 the Amended TIF District #2 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.

VIII. DETAILED LIST OF ESTIMATED PROJECT COSTS

In order to determine the economic feasibility of the proposed Amended TIF District #2, 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 2014 construction costs, Amended TIF District #2 improvement costs are estimated as follows:

Brown Deer Amended TIF DISTRICT #2 Planned Project Costs	
Proposed Improvements	Total TIF Cost
A. Municipal and Park Infrastructure Improvements	\$1,650,000
B. Imputed Administrative Costs	\$0
C. Organization Costs	\$0
D. Land Assembly and Real Estate Acquisition	\$1,350,000
E. Relocation Costs	\$0
F. Financing Costs	\$397,324
G. Contributions	- 0 -
H. Discretionary Payments	\$0
I. Contingency	\$100,000
J. Promotion and Development	\$0
TOTAL TIF PROJECT COSTS	\$3,497,324

The total of estimated Amended TIF project cost increases are \$3,497,324. 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 will add an additional \$397,324 in TIF financing costs, bringing the total estimated Amended TIF District #2 project cost increases to \$3,497,324. 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, 2014 and may be adjusted without modification or amendment of this Amended TIF District #2 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.

IX. ECONOMIC FEASIBILITY AND METHODS OF FINANCING

In order to evaluate the economic feasibility of the TIF, 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. Amended TIF District #2 is economically feasible if the tax incremental revenue projected to be generated over the life of the district is sufficient to pay all project and financing costs incurred during the TIF districts' 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 TIF district.
- B. The expected increase in property valuation due to new development encouraged by the TIF district.
- 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 0.5%. Inflation for purposes of projecting future project costs is assumed to be 0.5%.

Increase in Property Value

Amended TIF District #2 contains a total of approximately 12.09 acres of net real property (excluding street and right-of-ways of approximately 0.01 acres). Due to the expenditures made under the previous section, the Village feels that approximately 12.09 acres of this net real property will be suitable to attract additional residential and 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 TIF District.

- 1) Lighthouse Redevelopment site
\$1,500,000 additional value; expected to occur in 2017-2019.
- 2) Algonquin School Redevelopment site
\$4,000,000 additional value; expected to occur in 2017-2022.

(Note: The increase in the potential valuation generated from the vacant and blighted sites can be projected based on estimates from potential redevelopment scenarios, using conservative projections of available housing units, commercial square footage and market costs.)

Full Value Tax Rate

The third variable to consider in projecting TIF 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 2008 and 2014.

Village of Brown Deer Equalized Full Value Property Tax Rate & Equalized Values		
Levy Year	Tax Rate/\$1,000	Total Equalized Value
2008	25.52	1,144,172,900
2009	26.75	1,128,003,400
2010	28.07	1,074,804,200
2011	29.50	1,038,140,200
2012	31.69	962,776,000
2013	32.83	927,162,600
2014	31.53	942,430,400

Revenue Conclusions

Utilizing an average inflation rate of 0.5% percent, projected construction increment of \$1,500,000, and an initial full value rate of \$31.53 which is projected to remain the same, the projected TIF revenue from Amended TIF District #2, as shown on Attachment #1 is expected to be \$8,136,759, of expenditures recovered within seven years.

Financing Methods

An important aspect to consider in assessing the economic feasibility of Amended TIF District #2 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 TIF District and the Village may apply TIF revenue to the CDA to service the debt incurred to finance eligible projects within the TIF District.

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 \$47,121,520 and \$23,597,849 in existing General Obligation debt. Using this data, the current remaining debt capacity is \$23,523,671. Not all anticipated project costs will need to be financed by borrowing. For example, TIF administration costs will be relatively small on an annual basis and can be paid out of Village operating funds and reimbursed from the TIF 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

\$47,121,520) except to the extent the Village might choose to provide general obligation backing.

- Additional costs and programs associated with a project can be funded through the CDA and become eligible costs to be recouped from future increment.

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 2 years remaining on TIF District #2, until 2017, to incur the costs outlined in this Amended Project Plan. The TID will close in 2022. 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 Amended Project Plan may be accelerated or deferred, depending on the conditions existing at the time.

Proposed Improvements	Total TIF Cost	2015	2016	2017
A. Municipal Infrastructure Improvements	1,650,000	1,565,000	0	85,000
B. Imputed Administrative Costs	0	0	0	0
C. Organization Costs	0	0	0	0
D. Land Assembly and Real Estate Acquisition	1,350,000	1,350,000	0	0
E. Relocation Costs	0	0	0	0
F. Financing Costs	397,324	397,324	0	0
G. Contributions	0	0	0	0
H. Discretionary Payments	0	0	0	0
I. Contingency	100,000	0	0	100,000
J. Promotion and Development	0	0	0	0

Analysis Of Overlying Taxing Districts

Taxing Districts overlying the Village of Brown Deer Amended TIF District #2 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 Amended TIF District #2 in 2014.

The projects planned for the Amended TIF District #2 would not occur or would occur at significantly lower values but for the availability of tax incremental financing. Amended TIF District #2 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 Amended TIF District #2.

X. PROPOSED CHANGES IN ORDINANCES, CODES AND PLANS

While most of the nearby is zoned as PD-Planned development, full implementation of the redevelopment may require rezoning of the Algonquin School to PD-Planned Development District, or creating a new zoning classification. The Village Zoning Code is contained in Chapter 121 of the Village of Brown Deer Code. The Planned Development Zoning District or a new zoning classification would allow 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.

XI. LIST OF ESTIMATED NON-PROJECT COSTS

There are no costs planned for TIF District #2 which would not directly benefit property inside the district boundaries, therefore there are no “non-project” costs.

XII. METHODS OF RELOCATION OF DISPLACED PERSONS

If any property would need to be acquired by the Village of Brown Deer it would be 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 Administration, and will work with impacted displacees should it be necessary.

XIII. STATEMENT INDICATING HOW THE CREATION OF THE TIF PROMOTES THE ORDERLY DEVELOPMENT OF THE VILLAGE OF BROWN DEER

The amendment of TIF District #2 as well as the implementation of the projects in the Amended 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 District #2 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.

XIV. ATTORNEY OPINION LETTER

Village Attorney Fuchs has reviewed the Project Plan, and his opinion letter is attached.

###



"Attachment #1"

Village of Brown Deer Tax Increment District No. 2 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID.....	0.50%
2014 Gross Tax Rate (per \$1000 Equalized Value).....	\$31.53
Annual Adjustment to tax rate.....	0.00%
Investment rate.....	0.50%
Data above dashed line are actual	

Example New Issue \$1,410,000 Taxable G.O. Promissory Notes Dated March 31, 2015		Example New Issue \$1,565,000 G.O. Promissory Notes Dated May 1, 2015	
Amount for Projects.....	\$1,350,000	Amount for Projects.....	\$1,565,000
Capitalized Interest.....	\$0	Capitalized Interest.....	\$0
Cost of Issuance (est.).....	\$57,425	Cost of Issuance (est.).....	\$58,975
Rounding.....	\$2,575	Rounding.....	\$1,195
Less: Reoffering Premium.....	\$0	Less: Reoffering Premium.....	\$60,170

Year	Background Data						Revenues				Expenditures							TID Status			Year	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(r)	(s)	(t)		(u)
	TIF District Valuation (January 1)	Value of Exempt Computers (December 31)	Inflation Increment	Construction Increment (1)	TIF Increment Over Base	Tax Rate (2)	Tax Revenue	Investment Proceeds	Lighthouse Revenues	Total Revenues	Existing Debt Service	Principal (4/1)	Interest (4/1 & 10/1) TIC= 2.56%	Debt Service	Principal (4/1)	Interest (4/1 & 10/1) TIC= 1.63%	Debt Service	Combined Expenditures	Annual Balance	Year End Cumulative Balance (December 31)		Cost Recovery
	Base Value \$11,979,900																					
2012	\$33,205,100	\$50,900			\$25,514,000	\$31.69														\$147,060		2012
2013	\$37,443,000	\$59,000			\$27,568,100	\$32.83														\$197,866		2013
2014	\$39,489,000	\$59,000	\$197,445		\$27,765,545	\$31.53	\$837,655	\$989		\$838,645	\$559,555								\$279,090	\$476,956		2014
2015	\$39,686,445	\$59,000	\$198,432		\$27,963,977	\$31.53	\$869,313	\$2,385	\$27,000	\$898,697	\$554,428								\$344,270	\$821,225		2015
2016	\$39,884,877	\$59,000	\$199,424		\$28,163,402	\$31.53	\$875,539	\$4,106	\$27,000	\$906,645	\$548,485	\$180,000	\$40,764	\$220,764	\$195,000	\$48,218	\$243,218	\$1,012,467	(\$105,822)	\$715,403		2016
2017	\$40,084,302	\$59,000	\$200,422		\$28,363,823	\$31.53	\$881,796	\$3,577		\$885,373	\$553,905	\$195,000	\$24,984	\$219,984	\$215,000	\$29,363	\$244,363	\$1,018,251	(\$132,878)	\$582,525		2017
2018	\$40,284,723	\$59,000	\$201,424		\$28,565,247	\$31.53	\$888,084	\$2,913		\$890,997	\$555,640	\$200,000	\$22,263	\$222,263	\$220,000	\$25,013	\$245,013	\$1,022,915	(\$131,918)	\$450,607		2018
2019	\$40,486,147	\$59,000	\$202,431	\$1,500,000	\$30,267,677	\$31.53	\$894,404	\$2,253		\$896,657	\$556,465	\$200,000	\$18,713	\$218,713	\$225,000	\$20,281	\$245,281	\$1,020,459	(\$123,801)	\$326,806		2019
2020	\$42,188,577	\$59,000	\$210,943		\$30,478,620	\$31.53	\$900,756	\$1,634		\$902,390	\$551,275	\$205,000	\$14,354	\$219,354	\$230,000	\$14,875	\$244,875	\$1,015,504	(\$113,114)	\$213,692		2020
2021	\$42,399,520	\$59,000	\$211,998		\$30,690,618	\$31.53	\$954,439	\$1,068		\$955,508	\$554,688	\$210,000	\$9,163	\$219,163	\$235,000	\$9,063	\$244,063	\$1,017,913	(\$62,405)	\$151,287		2021
2022	\$42,611,518	\$59,000	\$213,058		\$30,903,676	\$31.53	\$961,091	\$756		\$961,847	\$556,738	\$220,000	\$3,190	\$223,190	\$245,000	\$3,063	\$248,063	\$1,027,990	(\$66,143)	\$85,144	Expenditures Recovered	2022
					\$1,835,576	\$3,546,000	\$8,063,077	\$19,682	\$54,000	\$8,136,759	\$4,991,178	\$1,410,000	\$133,429	\$1,543,429	\$1,565,000	\$149,874	\$1,714,874	\$8,249,481				

Type of TID: Created Before 10/1/1995 (not required to declare type)
 1995 TID Inception (1/16/1995)
 2017 Final Year to Incur TIF Related Costs
 2022 Maximum Legal Life of TID (27 Years)

(1) Increment per draft project plan.

(2) 2014 tax rate reflects an \$0.89 adjustment due to Wisconsin Act 145. This will increase state aid to technical college districts and lower levy amounts.

**FUCHS
& BOYLE, S. C.**

ATTORNEYS AT LAW

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MILWAUKEE, WISCONSIN 53226-3255

JOHN F. FUCHS
COURT COMMISSIONER
REBECCA D. BOYLE
COURT COMMISSIONER
COLETTE C. REINKE

February 3, 2015

Village of Brown Deer and Community Development Authority
of the Village of Brown Deer
4800 West Green Brook Drive
Brown Deer, WI 53223

RE: Amended Project Plan for Tax Incremental District No. 2
of the Village of Brown Deer

Ladies and Gentlemen:

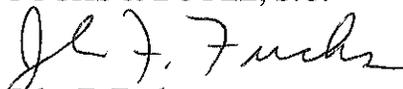
I have acted as counsel to the Village of Brown Deer, Wisconsin (the "Village") and its Community Development Authority ("CDA") in connection with the proposed expansion of Tax Incremental District No. 2 of the Village (the "District").

In this connection, I have reviewed the Amended Project Plan for the District (the "Project Plan"), the law and such other documents as I deem necessary to enable me to give this opinion. I have relied on the statements of fact set forth in the Project Plan and the documents attached as exhibits to the Project Plan, without independent verification. I have not been engaged or undertaken to verify the reasonableness or accuracy of the assumptions, estimates or financial projections contained in the Amended Project Plan, and express no opinion relating thereto.

Based on my review, it is my opinion that the Amended Project Plan is complete and complies with Section 66.1105 of the Wisconsin Statutes.

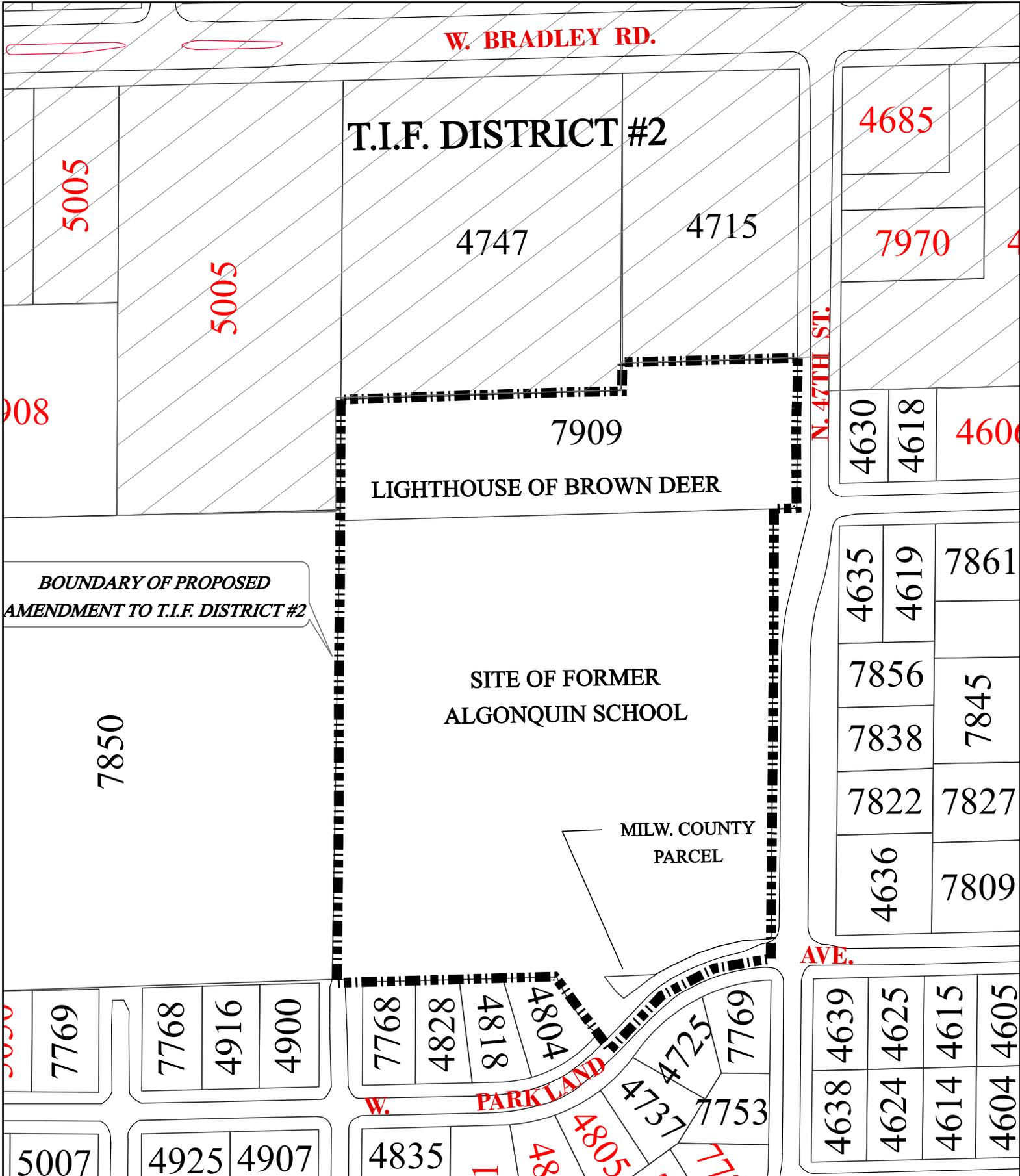
Very Truly Yours,

FUCHS & BOYLE, S.C.


John F. Fuchs

JFF:djk

Map #1 - Project Area Boundary

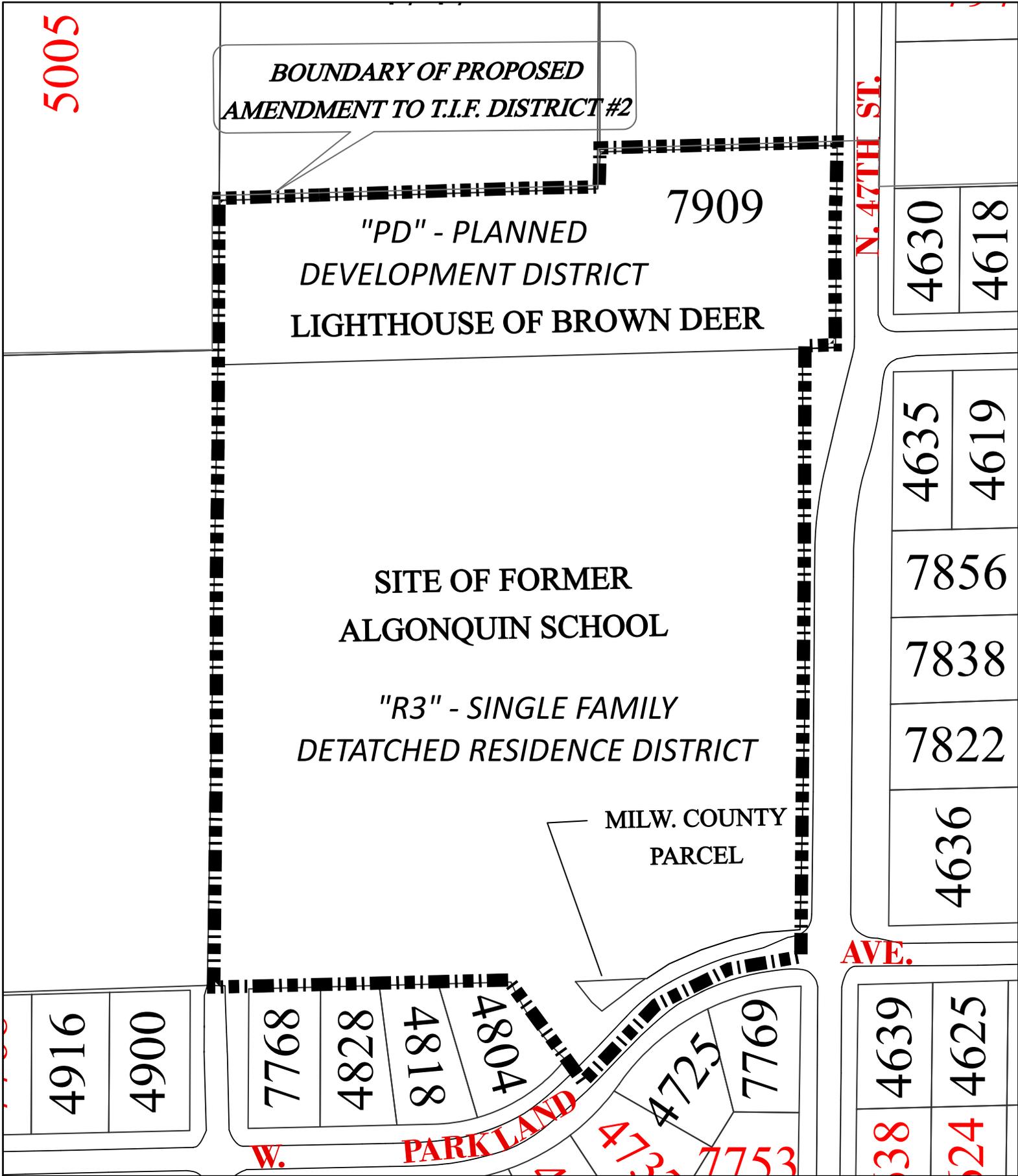


VILLAGE OF BROWN DEER, WI
Project Area Boundary of
Proposed Amendment to T.I.F. District #2

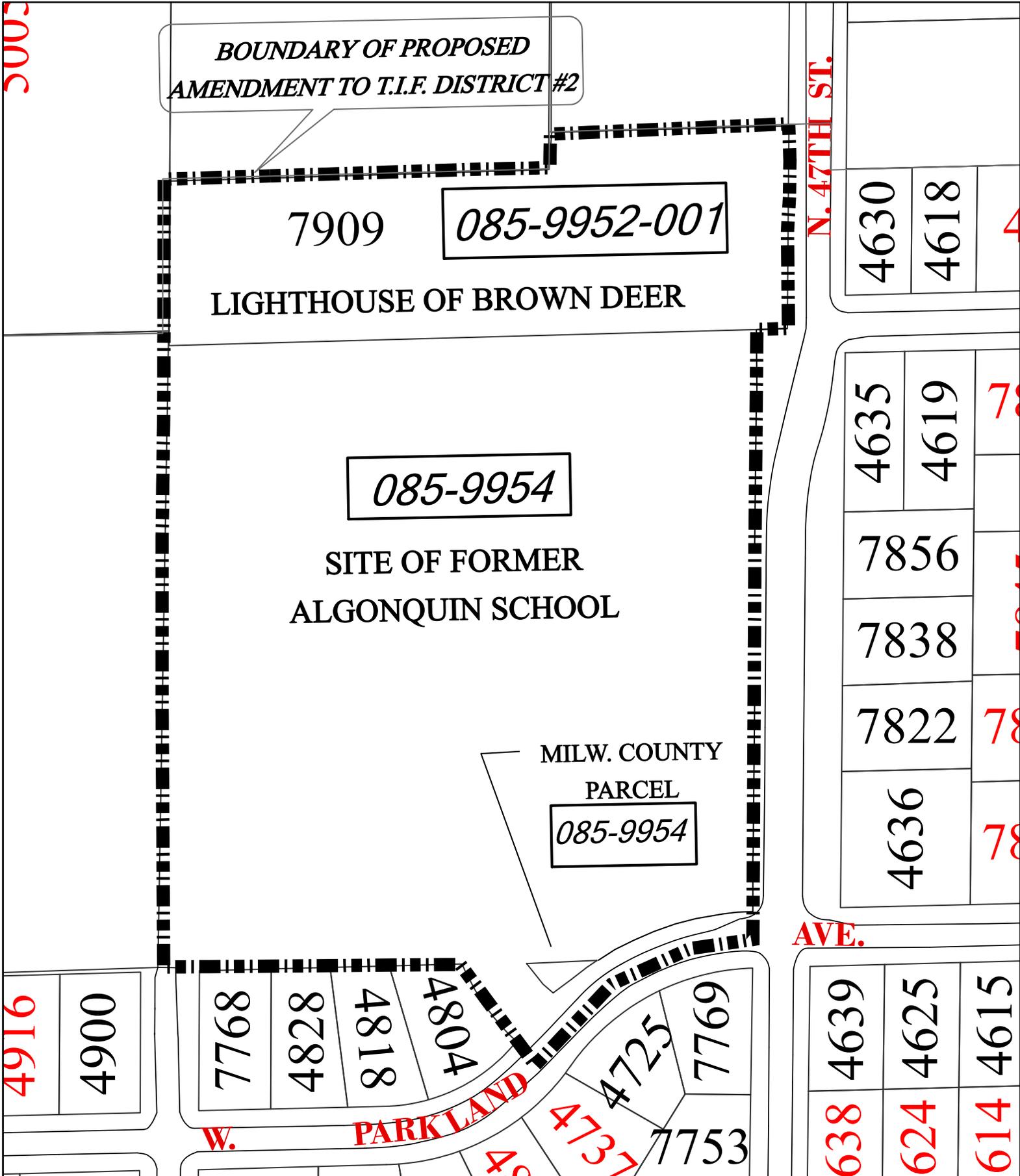
01/14/15



Map #2 - Existing Zoning



Map #3 - Parcels w/Key Numbers

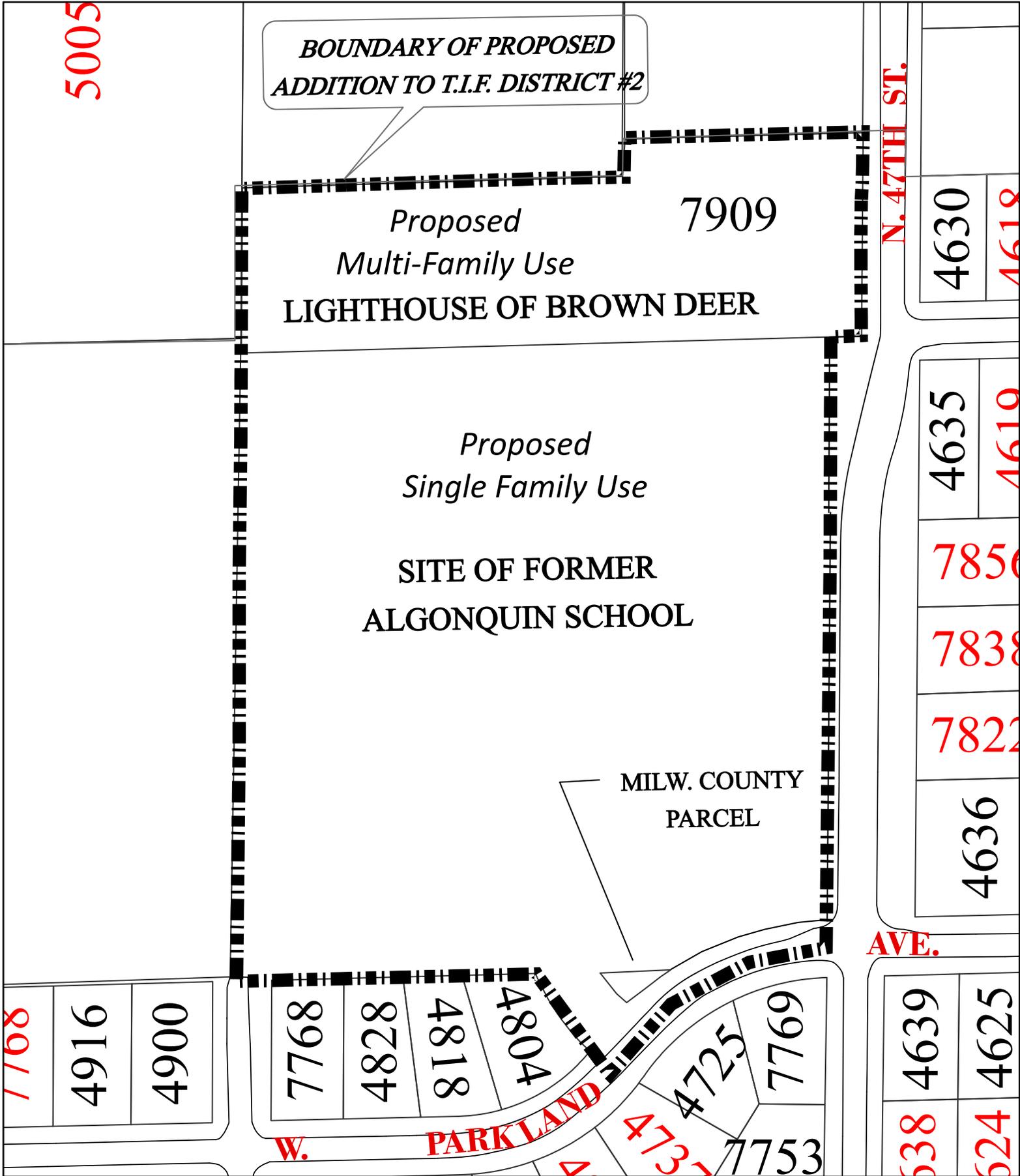


VILLAGE OF BROWN DEER, WI
 Key Numbers of Parcels in
 Proposed Amendment to T.I.F. District #2

01/14/15



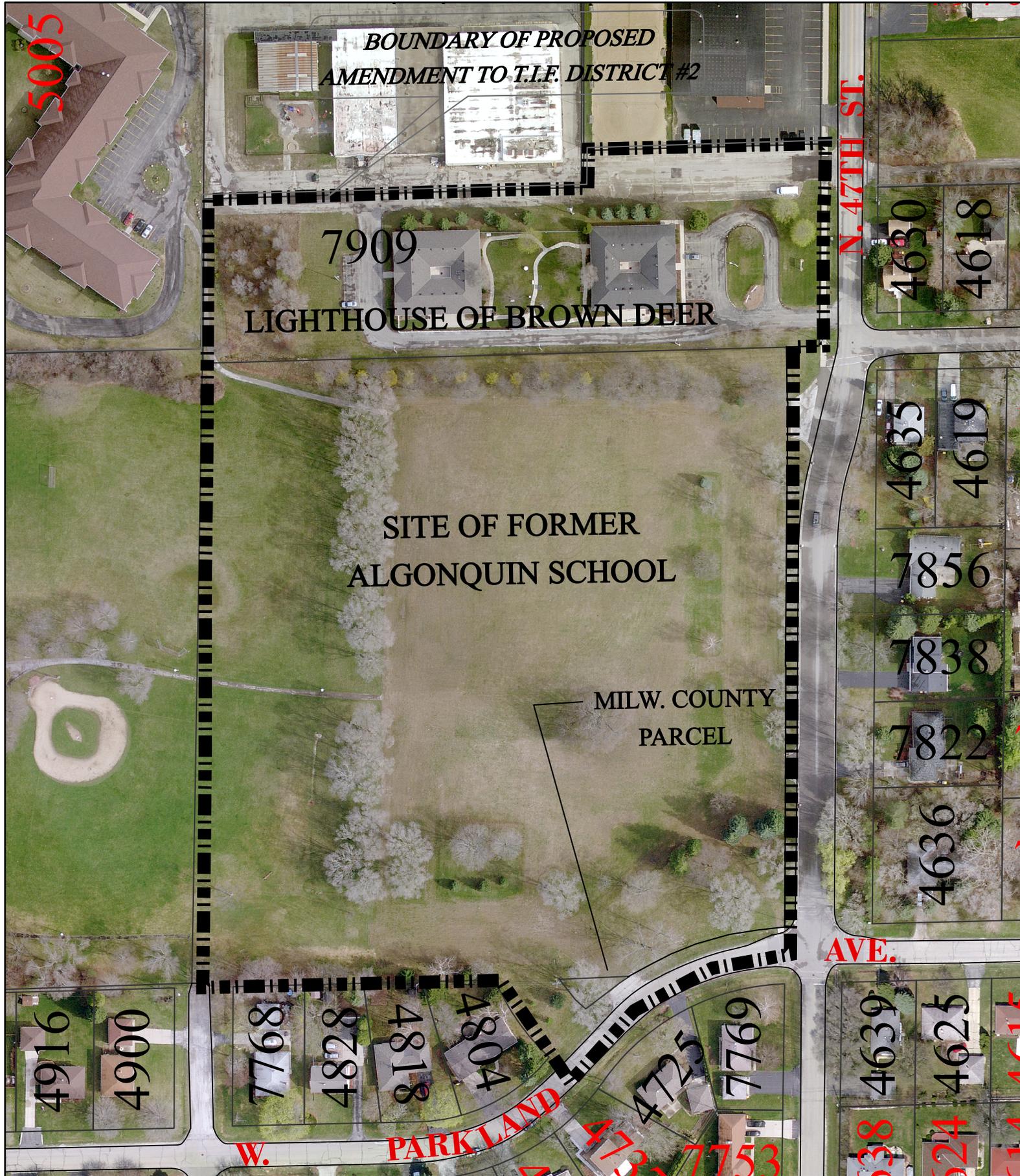
Map #4 - Proposed Land Uses



VILLAGE OF BROWN DEER, WI
 Proposed Land Uses Within
 Proposed Amendment to T.I.F. District #2



Map #5 - Aerial Map



VILLAGE OF BROWN DEER, WI
Aerial Map of Proposed
Amendment to T.I.F. District #2

01/14/15



Map #6 - Public Infrastructure Improve. Map

