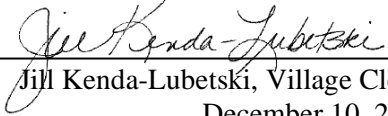


**JOINT REVIEW BOARD**  
**December 17, 2020, 2:00PM**  
**Virtual, <https://us02web.zoom.us/j/89123556033>**  
**Meeting Passcode: 721628**



**PLEASE TAKE NOTICE** that a meeting of the Joint Review Board will be held virtually at the following web address <https://us02web.zoom.us/j/89123556033> meeting passcode: **721628** or by phone at **312-626-6799** meeting ID **891 2355 6033** 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: December 3, 2020
- IV. New Business
  - A) Presentation and possible action to approve TIF District #3 Project Plan Amendment and resolution
- V. Adjournment

  
\_\_\_\_\_  
Jill Kenda-Lubetski, Village Clerk  
December 10, 2020

**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  
DECEMBER 3, 2020 MEETING MINUTES  
HELD VIRTUALLY at 301-715-8592 Meeting ID 886 5303 8331**

The meeting was called to order by the Village President Montgomery, at 2:01 P.M.

**I. Roll Call**

Present: Village President Wanda Montgomery; Monica Kelsey-Brown, Brown Deer School District; Aaron Hertzberg, Milwaukee County; Dr. Wilma Bonaparte, MATC; Jeff Baker, At-Large

Also Present: Michael Hall, Village Manager; Nathaniel Piotrowski, Development Director; John Fuchs, Village Attorney

**II. Persons Desiring to be Heard**

None.

**IV. New Business**

**A. Presentation of Amended TIF District #3 Project Plan and resolutuion**

Mr. Piotrowski presented the revised project plan and described why the Department of Revenue asked the Village to start the process over.

Mr. Hertzberg asked if there were any objections from the Plan Commission or Village Board at the previous reviews. Attorney Fuchs replied that there were none.

Ms. Kelsey-Brown asked when TID #4 would close. Mr. Piotrowski replied that with the new extension the year was 2035.

*No action was taken.*

**V. Adjournment**

*It was moved by President Montgomery and seconded by Ms. Kelsey-Brown to adjourn at 2:10 p.m. The motion carried unanimously.*



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Nate Piotrowski, Development Director



TAX INCREMENT FINANCE DISTRICT NO. 3  
AND  
COMPREHENSIVE PLAN OF REDEVELOPMENT NO. 2  
  
PROJECT AND REDEVELOPMENT PLAN

Lands located within the Village of Brown Deer  
along the West Brown Deer Road corridor,  
bounded by:  
55<sup>th</sup> Street to the east,  
Brown Deer Road to the south,  
properties abutting West Brown Deer Road to the north, and  
Park Plaza Court to the west.

December 1, 2004

Section IX Amended only. All other sections remain unchanged: August 10, 2020

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 Kunding	Trustee
Gary Springman	Trustee
Tim Schilz	Trustee

**Community Development Authority**

Margaret Jaberg	Chair
Tim Schilz	Trustee
Kathryn Berger	Member
Scott Fleming	Member
Kim Starz Nicholas	Member
Robert Oates	Member
Dave Wagner	Member

**Planning Commission**

Margaret Jaberg	Chair
Tim Schilz	Trustee
Jeff Baker	Trustee
Susan Bellehumeur	Commissioner
Alan Nees	Commissioner
Gunnar Prawitz	Commissioner
John Raffensperger	Commissioner
Rick Stone	Commissioner
Roy Williams	Commissioner

**Village Staff**

Russell Van Gompel	Village Manager
Andy Pederson	Assistant Village Manager/Community Services Director
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 #3 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 #3 and Redevelopment Plan #2.

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 #3/Comprehensive Plan of Redevelopment notified by certified mail of proposed designation of blighted area within TID #3/Comprehensive Plan of Redevelopment 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 Tax Increment District #3.

This is to be used as the official plan that guides redevelopment activities within TID No. 3. 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 No. 3 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 #3.

#### **V. PLAN OBJECTIVES**

TID No. 3 is being created to eliminate blight and stimulate the redevelopment of West Brown Deer Road corridor within the Village. This area of Brown Deer is characterized primarily by underutilized vacant retail and commercial properties. The closing of the three major retailers, in conjunction with the decline of the former Northridge Mall shopping area, 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 and community identity 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.

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 #3 comprises approximately 66.5 acres and is predominantly business (retail and commercial) land uses. The boundaries of TID #3 are shown on map #1. Redevelopment District #2 encompasses the same area as TID #3.

**TID #3 and Redevelopment District #2**

Total Area	66.5 acres
Area of Real Property (parcels)	48.96
Right-of-Way	17.54
Blighted Property	28.27
Blighted Area for Redevelopment	28.27
Vacant Parcels*	20.29
Area Zoned and Suitable for Business	48.96

(\* 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 #3 and Redevelopment District #2 are served by State Highway 100 (Brown Deer Road), and also include Village streets, including portions of Park Plaza Court, 55<sup>th</sup> Street and 60<sup>th</sup> Street. The project area includes lands located within the Village of Brown Deer along the West Brown Deer Road corridor, bounded by 55<sup>th</sup> Street to the east, Brown Deer Road to the south, properties abutting West Brown Deer Road to the north, and Park Plaza Court 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.

<b>TIF # 3 - 2004 Assessment Information</b>							Vacant / Vacancies	Blighted
Name	Acres	Address	PIN	2004 Assessment Values				
				Land	Improvements	Total		
American TV	10.06	6700 W. Brown Deer	030-0104-001	1,565,100	3,611,600	\$ 5,176,700	*	
Family Table Restaurant	0.95	6598 W. Brown Deer	030-0105-005	\$ 376,000	\$ 538,500	\$ 914,500		
Brown Deer Center	6.51	6510 W. Brown Deer	030-0105-007	\$ 1,019,500	\$ 2,114,400	\$ 3,133,900	*	*
Credit Union	0.91	6402 W. Brown Deer	030-0105-006	\$ 360,300	\$ 430,800	\$ 791,100		
Festival Foods site	7.98	6300 W. Brown Deer	030-0105-004	\$ 1,177,500	\$ 2,799,600	\$ 3,977,100	*	*
Drug Emporium site	3.02	6200 W. Brown Deer	030-0105-001	\$ 555,100	\$ 1,812,800	\$ 2,367,900	*	*
Vacant Engineering Firm	5.26	8899 N. 60th	030-0106	\$ 507,700	\$ 463,300	\$ 971,000	*	*
Home # 1	0.38	6042 W. Brown Deer	030-0993	\$ 38,000	\$ 69,000	\$ 107,000		*
Home # 2	1.09	6020 W. Brown Deer	030-0992	\$ 45,600	\$ 124,000	\$ 169,600		*
Village Owned	1.31	N. 60th Street	030-0107	\$ -	\$ -	\$ -	*	*
Vacant Parcel	1.23	E. side of N. 60th	029-9996-003	\$ 39,600	\$ -	\$ 39,600	*	*
Office Building # 1	1.34	5960 W. Brown Deer	029-9996-002	\$ 395,000	\$ 368,300	\$ 763,300	*	
Methodist Church	4.95	5736 W. Brown Deer	029-9996-001	\$ -	\$ -	\$ -		
Office Building # 2	0.9	5678 W. Brown Deer	029-9995-001	\$ 279,600	\$ 913,700	\$ 1,193,300	*	
Office Building # 3	1.58	5600 W. Brown Deer	029-9995-002	\$ 355,500	\$ 1,645,700	\$ 2,001,200	*	
Home # 3	0.6	5530 W. Brown Deer	029-9994	\$ 326,700	\$ 10,000	\$ 336,700	*	*
Home # 4	0.89	5506 W. Brown Deer	029-9993-001	\$ 343,100	\$ 10,000	\$ 353,100	*	*
	<b>48.96</b>			<b>\$ 7,982,300</b>	<b>\$ 14,911,700</b>	<b>\$ 22,894,000</b>		

**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 R2 as well as B3 and B4.

The existing uses and buildings coincide with the initial, planned intent of Brown Deer Road being a major, viable commercial corridor. The deterioration of the once vibrant Northridge Shopping Mall and adjacent West Brown Deer Road commercial district and the addition of new commercial corridors within the Village have over time left this area underutilized.

Existing development within the project area includes the Brown Deer Center, including several retail/service orientated businesses, as well as a Bank branch location and Family Table Restaurant; former Festival Food Store, which is now vacant; Multi-tenant building (formerly anchored by Drug Emporium), which is now primarily vacant; vacant engineering firm/professional office building; several professional office buildings; two residences along Brown Deer Road; and a church.

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 No. 3 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 No. 3.

### **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 No. 3 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.

**K. Promotion and Development**

Promotion and Development of TID No. 3 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 No. 3, 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 No. 3improvement costs are estimated as follows:

**Brown Deer TID #3 Planned Project Costs**

<b>Proposed Improvements</b>	<b>Total TID Cost</b>
A. Municipal Infrastructure Improvements	\$1,750,000
B. Imputed Administrative Costs	\$200,000
C. Organization Costs	\$50,000
D. Land Assembly and Real Estate Acquisition	\$2,500,000
E. Relocation Costs	\$25,000
F. Financing Costs	\$69,400
G. Contributions	- 0 -
H. Discretionary Payments	\$2,500,000
I. Contingency	\$300,000
J. Promotion and Development	\$35,000
<b>TID Subtotal</b>	<b>\$7,429,000</b>
Capitalized Interest	\$400,281
Financing Costs	\$69,400
<b>TOTAL TID PROJECT COSTS</b>	<b>\$7,829,681</b>

The total of estimated TID project costs is \$7,429,000. 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 \$469,681 in TID financing costs, bringing the total estimated TID No. 3 costs to \$7,829,681. 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 No. 3 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.

TID #3 will financially assist Brown Deer Tax Incremental District #4. A financial audit identified that a shortfall is projected at the end date of TID #4. The two proforma analyses below identify the projected closing balances of TID #3 and #4. TID #3 projects a \$6.5 million dollar surplus while TID #4 projects a deficit of \$8.6 million dollars. These estimates are conservative, and we expect TID #3's surplus to increase while the deficit of TID #4 should be reduced. However, we do not project the deficit to be eliminated. Therefore, so long as TID #3 projects a positive balance at its end date, said TID will contribute revenue to TID #4 up \$8.6 million dollars or a lessor dollar total so long as TID #4 no longer presents a negative balance at its end date.

### Village of Brown Deer Tax Increment District No. 3 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID	0.00%
2019 Gross Tax Rate (per \$1000 Equalized Value)	\$30.49
Annual Adjustment to tax rate	0.00%
Investment rate	0.50%

Data above dashed line are actual

Year	Background Data					Revenues				Expenditures				TID Status			Year			
	(a) TIF District Valuation (January 1)	(b) Inflation Increment	(c) Construction Increment	(d) TIF Increment Over Base	(e) Tax Rate	(f) Tax Revenue	(g) Computer Aid Payment	(h) Investment Proceeds	(i) Total Revenues	(j) Existing Debt Service	(k) Other Expenses (1)	(l) Other Expenses (2)	(m) Combined Expenditures	(n) Annual Balance	(o) Year End Cumulative Balance (December 31)	(p) Cost Recovery				
	Base Value <b>\$22,968,000</b>																			
2017	\$39,270,500			\$37,638,900	\$31.26				\$1,141,588	\$14,803	\$0	\$1,156,391	\$339,810	\$140,000	\$125,000	\$604,810	\$551,581	\$271,338	Per 2018 Audit	2017
2018	\$60,607,800			\$25,805,400	\$30.33	\$786,807	\$14,803	\$1,337	\$802,946	\$339,260	\$140,000		\$479,260	\$323,706	\$595,044				2018	
2019	\$48,774,300			\$24,219,600	\$30.49	\$738,456	\$14,803	\$2,975	\$756,234	\$343,216	\$140,000		\$483,216	\$273,018	\$868,062				2019	
2020	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$4,340	\$757,599	\$346,566	\$140,000		\$486,566	\$271,033	\$1,139,094				2020	
2021	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$5,695	\$758,954	\$349,346	\$140,000		\$489,346	\$269,608	\$1,408,702			Expenditure Recovered	2021	
2022	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$7,044	\$760,302	\$346,358	\$140,000		\$486,358	\$273,945	\$1,682,647			Expenditure Recovered	2022	
2023	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$8,413	\$761,672	\$352,593	\$140,000		\$492,593	\$269,079	\$1,951,726			Expenditure Recovered	2023	
2024	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$9,759	\$763,017	\$353,033	\$140,000		\$493,033	\$269,985	\$2,221,711			Expenditure Recovered	2024	
2025	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$11,109	\$764,367	\$27,781	\$140,000		\$167,781	\$596,586	\$2,818,297			Expenditure Recovered	2025	
2026	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$14,091	\$767,350	\$27,188			\$27,188	\$740,163	\$3,558,459			Expenditure Recovered	2026	
2027	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$17,792	\$771,051	\$26,563			\$26,563	\$744,488	\$4,302,948			Expenditure Recovered	2027	
2028	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$21,515	\$774,773	\$25,938			\$25,938	\$748,836	\$5,051,783			Expenditure Recovered	2028	
2029	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$25,259	\$778,518	\$25,313			\$25,313	\$753,205	\$5,804,988			Expenditure Recovered	2029	
2030	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$29,025	\$782,284				\$0	\$762,284	\$6,587,272			Expenditure Recovered	2030	
2031	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$33,777	\$786,061				\$0					Expenditure Recovered	2031	
2032	\$47,188,500	\$0		\$24,219,600	\$30.49	\$738,456	\$14,803	\$38,529	\$789,840				\$0					Expenditure Recovered	2032	
		\$0	\$0			\$10,789,862	\$207,242	\$158,374	\$11,155,477	\$2,902,963	\$1,260,000	\$125,000	\$4,287,963							

Type of TID: Blight Elimination  
2005 TID Inception (3/7/2005)  
2027 Final Year to Incur TIF Related Costs  
2032 Maximum Legal Life of TID (27 Years)

(1) Payment to Lighthouse  
(2) Payment to Developer

### Village of Brown Deer Tax Increment District No. 4 Cash Flow Proforma Analysis

Assumptions	
Annual Inflation During Life of TID	0.00%
2019 Gross Tax Rate (per \$1000 Equalized Value)	\$30.49
Annual Adjustment to tax rate	0.00%
Investment rate	0.50%

Data above dashed line are actual

Year	Background Data					Revenues				Expenditures		TID Status			Year					
	(a) TIF District Valuation (January 1)	(b) Inflation Increment	(c) Construction Increment	(d) TIF Increment Over Base	(e) Tax Rate	(f) Tax Revenue	(g) Computer Aid Payment	(h) Investment Proceeds	(i) Total Revenues	(j) Existing Debt Service	(k) Combined Expenditures	(l) Annual Balance	(m) Year End Cumulative Balance (December 31)	(n) Cost Recovery						
	Base Value <b>\$19,798,600</b>																			
2017	\$19,176,700			\$961,200	\$31.26															2017
2018	\$20,759,800			(\$431,100)	\$30.33															2018
2019	\$19,367,500			\$383,300	\$30.49	\$29,153	\$6,360	\$0	\$35,514	\$357,064	\$357,064			(\$321,551)	(\$5,156,207)					2019
2020	\$20,181,900	\$0		\$383,300	\$30.49	\$0	\$6,360	\$0	\$6,360	\$341,773	\$341,773			(\$335,412)	(\$5,491,619)					2020
2021	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$348,241	\$348,241			(\$330,194)	(\$5,821,813)					2021
2022	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$344,279	\$344,279			(\$326,232)	(\$6,148,044)					2022
2023	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$344,951	\$344,951			(\$326,904)	(\$6,474,948)					2023
2024	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$345,128	\$345,128			(\$327,080)	(\$6,802,028)					2024
2025	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$339,920	\$339,920			(\$321,873)	(\$7,123,901)					2025
2026	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$339,308	\$339,308			(\$321,260)	(\$7,445,161)					2026
2027	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$343,056	\$343,056			(\$325,009)	(\$7,770,170)					2027
2028	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$341,219	\$341,219			(\$323,172)	(\$8,093,342)					2028
2029	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$265,200	\$265,200			(\$247,153)	(\$8,340,495)					2029
2030	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$260,100	\$260,100			(\$242,053)	(\$8,582,547)					2030
2031	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$18,047	\$0		\$0	\$18,047	(\$8,564,500)					2031
2032	\$20,181,900	\$0		\$383,300	\$30.49	\$11,687	\$6,360	\$0	\$18,047	\$18,047	\$0		\$0	\$18,047	(\$8,546,453)					2032
		\$0	\$0			\$169,395	\$89,046	\$0	\$258,441	\$3,970,238	\$3,970,238									

Type of TID: Blight Elimination  
2005 TID Inception (3/7/2005)  
2027 Final Year to Incur TIF Related Costs  
2032 Maximum Legal Life of TID (27 Years)

## 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 No. 3 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 conservative 3%. Inflation for purposes of projecting future project costs is assumed to be 3%.

### **Increase in Property Value**

TID No. 3 contains a total of approximately 49 acres of net real property (excluding street and right-of-ways of approximately 17.5 acres). Due to the expenditures made under the previous section, the Village feels that approximately 28 acres of this net real property will be suitable to attract additional commercial development. Specifically, increased valuation due to the redevelopment related activities is expected at the current site of the Festival Foods and Drug Emporium vacant buildings as well as on various other parcels within the District.

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) Festival Foods / Drug Emporium Vacant Sites  
\$9,000,000 additional value; Redevelopment expected to occur in 2005.
- 2) Engineering Firm/northwest corner of 60<sup>th</sup> Street and Brown Deer Road  
\$3,000,000 additional value; redevelopment expected to commence in 2006.
- 3) Northwest corner of 55<sup>th</sup> Street and Brown Deer Road  
\$1,000,000 additional value; redevelopment expected in 2005/2006
- 4) 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.

Village of Brown Deer Equalized Full Value Property Tax Rate & Equalized Values		
Levy Year	Tax Rate/\$1,000	Total Equalized Value
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 \$15,000,000, and an initial full value rate of \$25.68 which is projected to remain the same, the projected TIF revenue from TID No. 3, as shown on attachment #1 is expected to be \$27,258,589 by 2035.

**Financing Methods**

An important aspect to consider in assessing the economic feasibility of TID No. 3 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 \$47,944,330 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 \$47,944,330) 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 #3 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	\$1,750,000	500,000	500,000	500,000	250,000			
B. Imputed Administrative Costs	\$210,000	50,000	50,000	30,000	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	\$2,500,000	1,500,000	1,000,000					
E. Relocation Costs	\$25,000	15,000	10,000					
F. Financing Costs	(Baird)							
G. Contributions	- 0 -							
H. Discretionary Payments	\$2,500,000	1,000,000	1,000,000	500,000				
I. Contingency	\$300,000							
J. Promotion and Development	\$35,000	15,000	20,000					

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

Taxing Districts overlying the Village of Brown Deer TID No.3 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 No. 3 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 #3 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 #3.

## **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 #3 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 #3 and redevelopment district #2 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 #3 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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Resolution Approving the Amended Project Plan  
for Tax Incremental District No. 3 to financially assist  
Tax Incremental District No. 4

Resolution No. \_\_\_\_\_

---

**WHEREAS**, blight conditions exist in a portion of the Village of Brown Deer, Wis in the previously approved Tax Incremental Financing Districts #3 and #4; and

**WHEREAS**, those blight conditions could be alleviated by the amendment of the Tax Incremental District #3 Project Plan pursuant to Section 66.1105 of the Wisconsin Statutes; and

**WHEREAS**, the Joint Review Board has determined that the elimination and prevention of blight areas in the Village is in the best interest of the Village and will benefit the Village by promoting public health, safety, and welfare and by increasing the Village's tax base and the number of jobs available in the Village; and

**WHEREAS**, the Joint Review Board has determined that it is necessary and desirable to alter the existing Tax Incremental District No. 3 Project Plan to financially assist Tax Incremental District #4 which after recent audits is financially challenged and unable to completely carry out its goals of blight elimination; and

**WHEREAS**, on December 7, 2020, the Plan Commission held a public hearing at which all interested parties were afforded a reasonable opportunity to express their views on the proposed Amended Project Plan, and following the public hearing, adopted the Amended Project Plan and submitted it to the Village Board; and

**WHEREAS**, the relevant section of the Amended Project Plan is included as Exhibit A and details the parameters of financial assistance between Tax Incremental Financing District #3 and #4; and

**WHEREAS**, the Amended Project Plan does not alter the boundaries of Tax Incremental Financing District #3; and

**WHEREAS**, the Amended Project Plan will promote the elimination of blight in the Village; and

**NOW, THEREFORE**, be it resolved by the Joint Review Board for the Village of Brown Deer, Wisconsin, that:

Section 1. Based on the information set forth in the Amended Project Plan, this Plan Commission finds that the Amended Project Plan is feasible.

Section 2. The Amended Project Plan is in conformity with the master plan of the Village.

Section 3. The TIF Amendment is likely to significantly enhance all the other real property's value.

Section 4. The estimated percentage of territory devoted to retail at the end of the expenditure period is projected to be 52%.

Section 5. Development would not occur without this amendment, the economic benefits are sufficient to compensate for the cost and outweigh the anticipated tax increments to be paid by the district's property owners.

Section 6. The Amended Project Plan is approved pursuant to Section 66.01105(4)(g) of the Wisconsin Statutes as the amended project plan for proposed Tax Incremental District # 3 of the Village pursuant to Sections 66.1335 and 66.1133(6) of the Wisconsin Statutes.

**PASSED AND ADOPTED** by the Joint Review Board for the Village of Brown Deer, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Wanda Montgomery, Chair

\_\_\_\_\_  
Jill Kenda-Lubetski, Village Clerk