

CITY OF MIDDLETON
TAX INCREMENT
FINANCING DISTRICT
NO. 3

AMENDMENT NO. 7

Common Council Action

September 20, 2011

Prepared by:
Vandewalle & Associates
Madison/Milwaukee, Wisconsin

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SECTION I. INTRODUCTION

The City of Middleton is proposing to amend the TID #3 boundary for the fourth and final time by subtracting properties from the district. This amended project plan and boundary reflects that subtraction. In addition, the table on page 3 estimates the equalized value of these properties that will be taken out of the district and put back on the general tax rolls. The equalized values in the Plan Commission Public Hearing draft are calculated on the best estimate available at the writing of the plan or a range of 100% to 102%. Since the public hearing was held, the Wisconsin Department of Revenue issued its annual report on August 15, 2011.

For purposes of estimating the equalized value of the property to be subtracted from the TID, the equalization ratio reflected in the August 15, 2011 report will be used. The final 2011 equalization ratio is not available until October 31, 2011. The table listing the subtracted properties is equalizing the assessed valuation at a ratio of 99.4248%. The final equalized value of the Amendment #7 subtraction to TID #3 will not be available until the State of Wisconsin Department of Revenue releases the annual TIF Value Limitation Report on August 15, 2012. Consequently, the exact total of equalized value subtracted from TID #3 will not be available until August 15, 2012.

With the approval of this fourth and final boundary amendment, unless current TID legislation changes to allow for more than the allowed four boundary amendments, TID #3 will not retire until the statutorily-required retirement date of 2020. There are two specific reasons why TID #3 cannot retire prior to the 2020 deadline: (1) Development agreements exist which affects some of the properties within the current district boundary and which will not be satisfied until 2020; and (2) Financing for some of the general obligation bonds and development agreement financing mechanisms will also not be paid in full until 2020.

Another purpose of this project plan is to identify projects that the City may wish to undertake outside of the current TID #3 boundary but within the statutorily-required ½ mile radius. These projects can be found in Section V: Proposed Public Works and Estimated Costs.

SECTION II. DESCRIPTION OF HOW TAX INCREMENT DISTRICT NO. 3 WILL PROMOTE THE ORDERLY DEVELOPMENT OF THE CITY OF MIDDLETON

No change has been made to this section in this amendment.

SECTION III. TAX INCREMENT BOUNDARY AND EQUALIZED VALUES

The first boundary amendment took place in 1996, which added parcels to the northwest portion of the district. In 2006, the City amended the boundary a second time with the subtraction of approximately \$150,000,000 of value from the district. This subtraction was effective under new

legislation passed that allowed a municipality to amend a district's boundary up to a total of four times and also allow subtraction of parcels as an eligible activity. Prior to the 2005 legislation, a municipality could only add parcels to an existing TID boundary. The third amendment, also a subtraction of approximately \$47,000,000 from the district, was adopted in 2009 effective tax collection 2011.

Due to the continued economic climate and the change in the State of Wisconsin's budgetary considerations and their impact on local communities, the City deems it advisable to undertake the fourth and final boundary amendment. The purpose of this last boundary amendment is to subtract an additional equalized real estate and personal property value of approximately \$73,000,000 to \$74,000,000. Current budget constraints and the impact of changing legislation and funds to the City from the State necessitate more tax revenues for general City expenditures. Subtracting an additional \$73,000,000 - \$74,000,000 of equalized value of real estate and personal property will assist the City in meeting its budgetary requirements.

The table, on the following page, identifies the parcels proposed for subtraction. The table includes the current TID #3 map number (please refer to Map 1: Proposed Property Subtraction), the Parcel number, assessed real estate values (land, improvements and total values) and estimated equalized total real estate values; assessed personal property values and equalized personal property values as well as current zoning classification. It also identifies the year in which the parcels were included in the TID and the original map numbers, parcel numbers and values and calculates an estimated net subtraction based on those values.

The table has used 2011 real estate and personal property assessed valuations. The equalization ratio used to estimate the subtraction total is 99.4248%. This equalization ratio appears in the August 15, 2011 TIF Limit Valuation Report on the Department of Revenue's website. As stated above, the final certified equalization ratios for 2011 will not be available until after October 31, 2011. The project plan presented for Council approval uses the most current information available from the 2011 State of Wisconsin Equalization report. If the final certified equalization ratio is different from the August 15, 2011 published ratio, the total deduction from the district may be slightly modified. The total value of the subtraction from the TID may also be different due to the TIF annual report submitted for DOR certification in August 2012.

As previously stated, this is the last boundary amendment that the City can undertake unless the legislation changes or the City requests and the legislature approves additional boundary amendment(s). Developer agreements for two properties within TID #3 run until the end of the statutory retirement period for the district, or 2020. The City will need to carefully monitor future needs of the TID in reference to finalizing projects and completing those projects expenditures by 2015 as well as future needs of the City in its budgetary process.

CITY OF MIDDLETON TID #3 A#7 SUBTRACTION

Common Council Action

ID	PARCEL #	CUR PARCEL	OWNER	PARCEL ADDRESS	2011 LAND	2011 IMPRVMT	2011 TOTAL	1993/1999 MAP #	1993/1999 PARCEL #	1993/1999 LAND	1993/1999 IMPRVMT	1993/1999 TOTAL	NET SUBTRACT	Acres	YEAR PARCEL IN DISTRICT
295	70810115062	Active	PHEASANT WEST LLC	7974 UW HEALTH CT	\$1,677,800	\$15,952,200	\$17,630,000	260	70810180100	\$18,124	\$0	\$18,124	\$17,611,876	10.0050	1993
304	70811235402	Active	BONNIE VIEW LLC		\$1,033,500	\$6,164,300	\$7,197,800	16/175	70811291239	\$304,440	\$0	\$304,440	\$6,893,360	2.8320	1993
308	70811241052	Active	BRESLIVE LLC	2275 DEMING WAY	\$1,576,600	\$9,791,700	\$11,368,300	16/175	70811291239	\$32,506	\$0	\$32,506	\$11,335,794	4.9892	1993
310	70811241752	Active	WISCONSIN QSL REAL ESTATE LLC	2259 DEMING WAY	\$988,000	\$2,166,300	\$3,154,300	242	70811290007	\$2,863	\$0	\$2,863	\$3,151,437	2.3751	1993
319	70810160102	Active	PLAZA 14 DEVELOPMENT II LLC		\$1,089,200	\$1,023,900	\$2,113,100	258	70810195603	\$15,156	\$0	\$15,156	\$2,097,944	2.2553	1993
333	70811230302	Active	LODGING INVESTORS LLC		\$1,067,400	\$3,392,100	\$4,459,500	14/15	70811291015	\$106,585	\$0	\$106,585	\$4,352,915	2.9474	1993
371	70815100752	Active	WALL LAND INVESTMENT LLC		\$1,450,100	\$18,290,600	\$19,740,700	16	7081510011	\$405,073	\$0	\$405,073	\$19,335,627	2.7524	1999
					\$8,882,600	\$56,781,100	\$65,663,700			\$884,746	\$0	\$884,746	\$64,778,954	28.16	
NET SUBTRACTION										\$7,997,854	\$56,781,100	\$64,778,954			

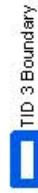
CITY OF MIDDLETON
TID #3 A#7 PERSONAL PROPERTY EQUALIZED

MA P #	PARCEL #	ACCT #	BUSINESS	PARCEL ADDRESS	BOATS & OTHER WTRCRFT	MACHINE, TOOLS, PATNTS	FURNIT, FIXTURES, EQPMNT	ALL OTHER	TOTAL PERSONAL PROP
295	70810115602	50-50165	UW Health Foundation	UW Health Ct 7974	\$0	\$9,400	\$1,854,500	\$601,600	\$2,465,500
304	70811235402	50-27570	Meicher & Associates	Deming Way 2349	\$0	\$0	\$184,100	\$183,300	\$367,400
304	70811235402	50-46048	Transformation Surgery	Deming Way 2349	\$0	\$565,800	\$31,800	\$218,100	\$815,700
304	70811235402	50-46051	UW Health Foundation	Deming Way 2349	\$0	\$239,700	\$77,300	\$25,500	\$342,500
304	70811235402	50-46052	UW Health Foundation	Deming Way 2349	\$0	\$274,900	\$100,300	\$12,900	\$388,100
304	70811235402	50-50199	Baxter Health Care	Deming Way 2349	\$0	\$6,300	\$0	\$0	\$6,300
308	70811241052	50-24300	Lasting Skin Solutions	Deming Way 2275	\$0	\$45,600	\$51,200	\$104,500	\$201,300
308	70811241052	50-25060	Madison Vein & Laser	Deming Way 2275	\$0	\$5,700	\$10,600	\$129,000	\$145,300
308	70811241052	50-44210	The Aesthetic Surgery	Deming Way 2275	\$0	\$16,000	\$31,300	\$17,300	\$64,600
308	70811241052	50-34253	Park Bank	Deming Way 2275	\$0	\$0	\$71,800	\$234,200	\$306,000
308	70811241052	50-50098	Core Athletics	Deming Way 2275	\$0	\$18,300	\$12,300	\$0	\$30,600
308	70811241052	50-50698	Casmir Jones SC	Deming Way 2275	\$0	\$0	\$61,600	\$1,700	\$63,300
308	70811241052	50-24300	Schuchardt Laser Inc	Deming Way 2275	\$0	\$45,600	\$51,200	\$104,500	\$201,300
310	70811241752	50-37145	Quaker Steak and Lube	Deming Way 2259	\$0	\$239,200	\$68,700	\$4,700	\$312,600
319	70810160102	50-16300	Great Clips	Murphy Dr 8315	\$0	\$0	\$15,000	\$25,500	\$40,500
319	70810160102	50-19500	Subway	Murphy Dr 8315	\$0	\$0	\$39,800	\$35,400	\$75,200
319	70810160102	50-02845	Arbys	Murphy Dr 8321	\$0	\$0	\$121,200	\$134,100	\$255,300
333	70811230302	50-50099	Courtyard Inn	2266 Deming Way	\$0	\$0	\$721,000	\$91,100	\$812,100
371	70815100752	50-45150	T Wall Properties	Greenway Blvd 8215	\$0	\$0	\$185,400	\$2,400	\$187,800
371	70815100752	50-50153	Alice.com	Greenway Blvd 8215	\$0	\$0	\$118,200	\$8,600	\$126,800
371	70815100752	50-50154	Clifton Gunderson	Greenway Blvd 8215	\$0	\$0	\$938,100	\$300	\$938,400
371	70815100752	50-50157	Miron Construction	Greenway Blvd 8215	\$0	\$0	\$64,500	\$500	\$65,000
371	70815100752	50-50596	Krueger & Hernandez	Greenway Blvd 8215	\$0	\$0	\$3,100	\$300	\$3,400
371	70815100752	50-50767	Netech Corp	Greenway Blvd 8215	\$0	\$0	\$15,600	\$1,500	\$17,100
371	70815100752	50-50729	Northwestern Mutual	Greenway Blvd 8215	\$0	\$0	\$10,000	\$0	\$10,000
371	70815100752	50-50731	Sony Network Entertainment	Greenway Blvd 8215	\$0	\$7,100	\$0	\$0	\$7,100
			TOTAL PERSONAL PROPERTY ASSESSED		\$0	\$1,473,600	\$4,838,600	\$1,937,000	\$8,249,200

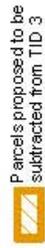
EQUALIZED **0.9942** **\$65,153,718**
+PPROP **0.9942** **\$8,296,924**
TOTAL SUBT **\$73,450,642**

NOTE: Map #319 has a new tax ID due to lot reconfiguration: 070810160402.

City of Middleton TID 3 Proposed Amended Boundary

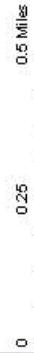


TID 3 Boundary

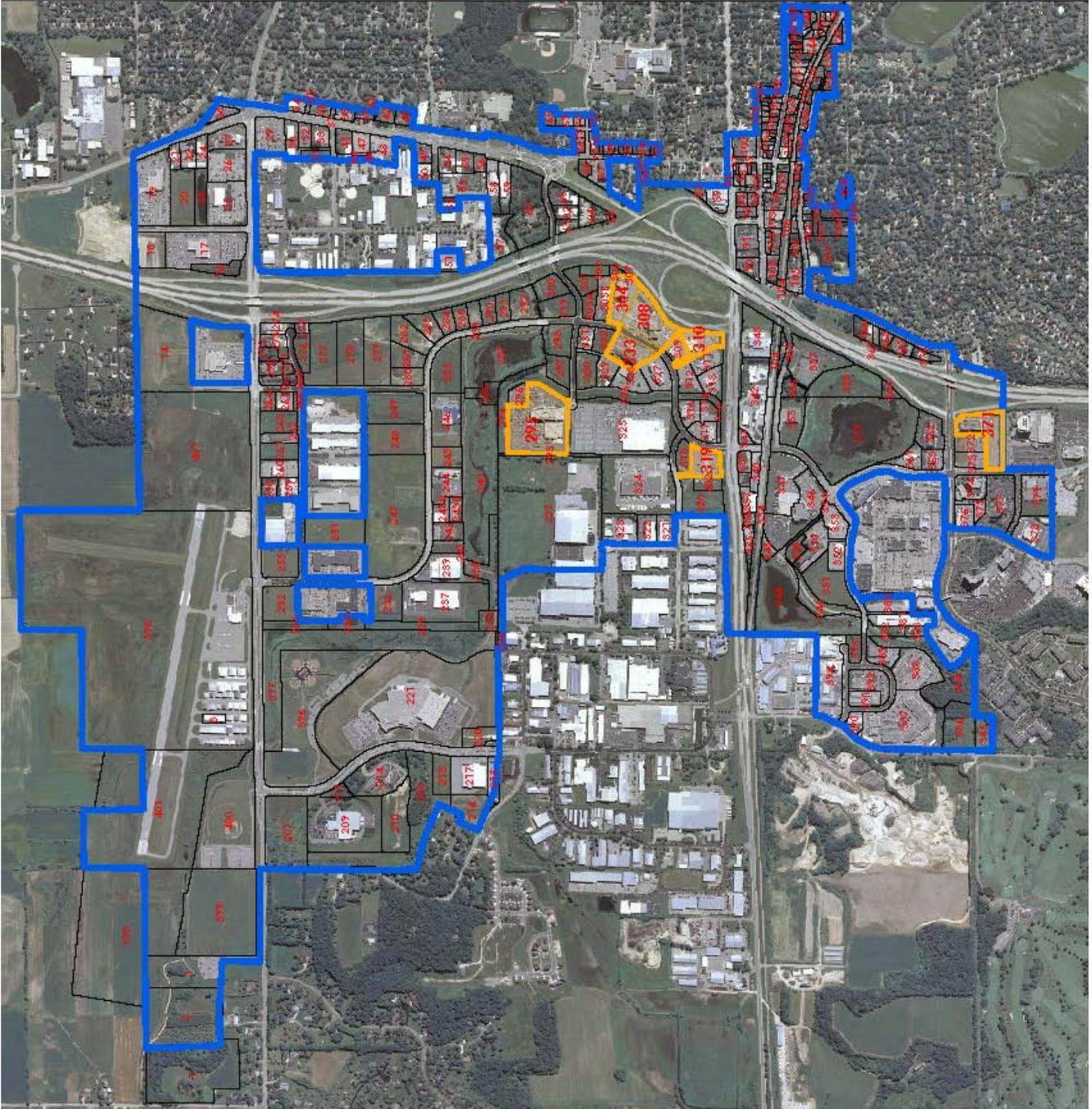


Parcels proposed to be subtracted from TID 3

9/19/2011



Data Source: NAIP 2010, Dane County LIO



SECTION IV. EXISTING USES AND CONDITIONS OF REAL PROPERTY

No changes to this section.

SECTION V: PROPOSED PUBLIC WORKS AND ESTIMATED COSTS

Four of the main objectives of the original and subsequent amendments to TID #3 in the City of Middleton were: (1) stormwater management and water quality improvements (a part of the “Clean Lakes Initiative”); (2) job creation and subsequent improvements needed to service existing and new businesses and industry; (3) blight elimination through relocation of incompatible land uses to more appropriate locations; and (4) business relocation and expansion through financial participation by the City. The following list of projects and estimated costs are extensions of projects contained within the original and/or amended project plans and further identified here with updated costs. In addition, some of these activities are proposed to take place within ½ mile radius of the TID #3 boundary. Those projects proposed to be undertaken under this new legislative change are designated below.

In an effort to be very conservative on expending additional funds, some of the projects list estimated costs but some of the projects listed do not have a cost associated with that project. The City has based the financial feasibility of TID #3 expending additional costs anticipating no new increment developed within the district for the remainder of the life (2020). This is a very conservative approach to tax revenue generation and does impact future expenditures. Projects listed below that do not have any cost would only be undertaken if excess tax revenues were generated allowing the City to make additional expenditures. By listing these projects, the City does have the flexibility to undertake them if there is sufficient tax revenues generated to pay for those project costs.

1. Business relocation and expansion. Implementation of TID #3 has created over \$600,000,000 of new real estate and personal property value and 4000 new living wage jobs. The City wishes to continue offering financial participation with the private sector to encourage relocation and expansion of existing businesses into the TID #3 employment center as well as eliminating blighted conditions of incompatible land uses. Some of these expenditures may take place within the ½ mile radius of the TID #3 boundary.

Estimated cost: \$10,000,000

2. Extension of bike trail. There has been significant construction of pedestrian/bike trails within TID #3 to connect businesses, commercial and residential areas. The TID #3 project plan originally envisioned the employment center serviced by modes of transportation other than the automobile. Public transportation and extension of bike/ped trails has greatly enhanced the desirability of TID #3 and the success of this is evidenced

in the build-up of this area. This construction project could extend into the areas outside the TID boundary within ½ mile along the USH 14 and 12 corridors.

Estimated cost: To be determined

3. Increased vehicular traffic along the USH 14 and Deming Way corridor and the moratorium by the State of Wisconsin on additional rail crossings may necessitate the reconstruction of Deming Way/USH 14 intersection and rail crossing. The original project plan anticipated transportation movement and safety improvements in this area. This project cost is not anticipated to be expended until further development along Deming Way and USH 14 warrants the expenditure.

Estimated cost: To be determined

4. Stormwater management and water quality control projects. The original TID #3 project plan and initial improvements were for stormwater management and water quality control. The Pheasant Branch channelization project was one of the first projects undertaken in TID #. Implementation of this project yielded over 100 acres of land that were previously in the floodplain and are now developed or are developable (Discovery Springs, etc.). The confluence pond was a result of the channelization and water quality project. Additional expenditures are needed to continue with the stormwater management and “Clean Lakes Initiative” implementation. Additional expenditures north of TID #3 within the ½ mile radius may also be needed to ensure control of stormwater coming into the TID #3 district to lessen impact on the improvements already made.

Estimated cost: \$2,500,000

5. The original and amended project plan for TID #3 anticipated the potential construction of a parking ramp in the Downtown. Since the inception of TID #3, Middleton’s City Centre and Downtown area has seen tremendous revitalization and relocation and development of businesses. In addition, the City has made a long-term investment in the Downtown with rehabilitation of the City Hall, new Library and other public uses. Because of this revitalization, parking is becoming more difficult and construction of a ramp would allow for more infill development.

Estimated cost: \$3,000,000

6. Another project cost which was anticipated in original TID #3 project plan was the undergrounding of utilities along the major transportation corridors. While no specific

project cost is being proposed, this amendment identifies that the City may choose to undertake this project if there are sufficient tax revenues to pay for this project.

Estimated cost: To be determined

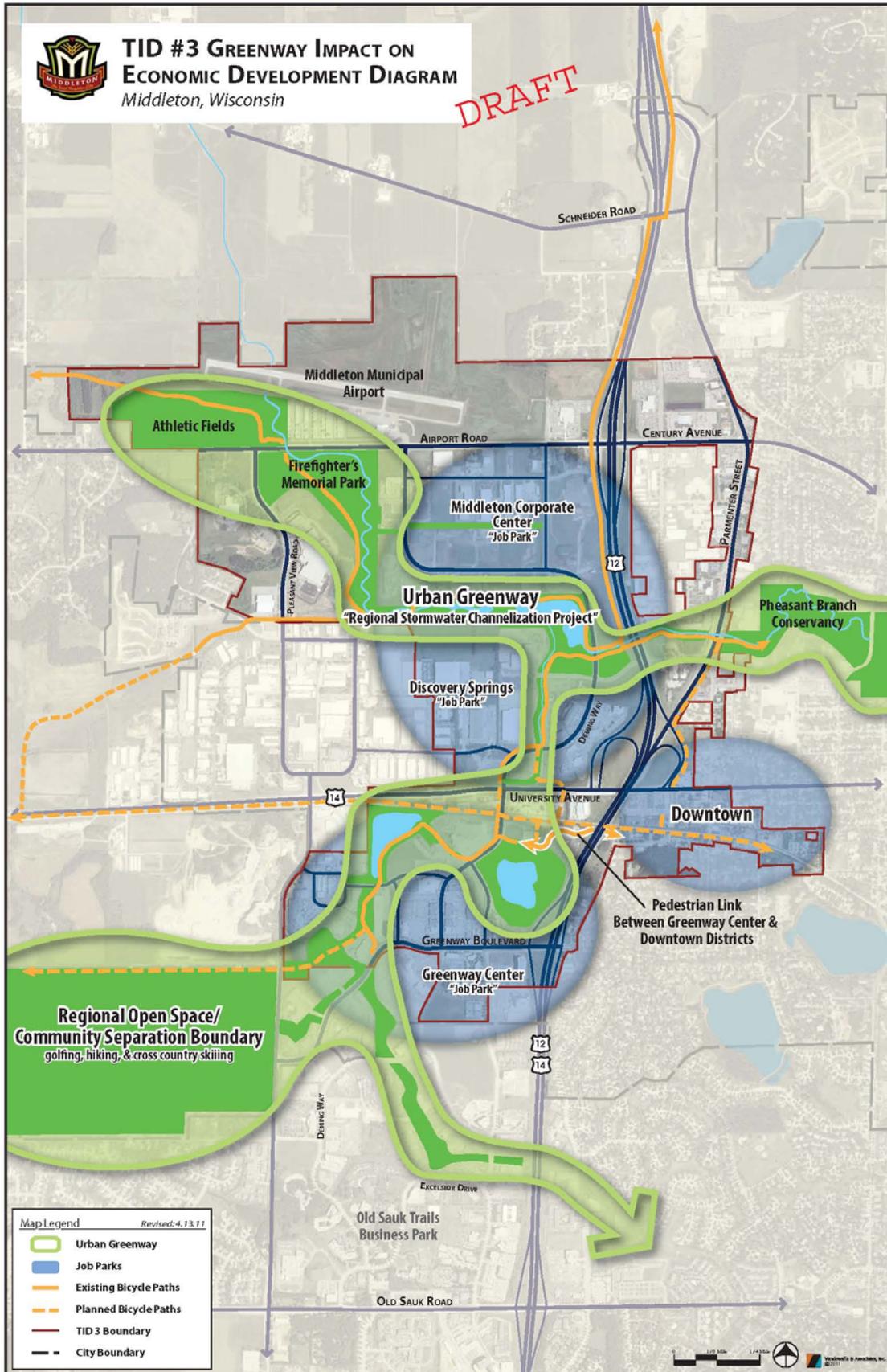
7. Economic development was one of the main objectives to be accomplished in TID #3. As stated above, tax base and job creation has been extremely successful. Part of this is due to the aesthetics created in the entire TID and use of that as an economic development tool. The Urban Greenway Impact on Economic Development concept is a graphic depicting the City's recognition of the importance of the greenway connections and its impact on business relocation and stimulation. Project costs may be expended within the ½ mile radius.

Estimated cost: \$5,000,000

Total Estimated Additional Project Costs with Current Increment: \$20,500,000

Total Estimated Potential Project Costs with Current and New Increment: \$45,500,000

If all of the identified project costs were expended, an additional expenditure of \$45,500,000 to TID #3 will be added to the \$66,515,000 already borrowed for and spent. TID #3 Amendment #3 identified the potential of \$67,914,000 of project costs. Expenditure of the complete \$45,500,000 would increase Amendment #3's estimate of \$67,914,000 to \$113,414,000. However, any project expenditures over the listed additional \$20,500,000 would be undertaken only if there was new tax increment generated after 2011 in the TID #3 boundary. By listing these project costs, the City reserves the right to expend additional funds beyond the \$20,500,000 up to the \$45,500,000 if sufficient increment is generated.



SECTION VI. NON TAX REVENUES

No change to this section.

SECTION VII. ECONOMIC FEASIBILITY ANALYSIS

The table below reflects the estimated revenues, payments and cash flow of TID #3 from 2011 to 2020, date of mandatory retirement of the District. This cash flow includes \$23,700,000 of project costs to be expended in TID #3 including a portion of those project costs within the ½ mile radius area of the TID #3 boundary as described in Section V. public improvement project costs.

The anticipated revenue stream anticipates no further tax increment generation within the boundaries of TID #3. This is a very conservative forecast as TID #3 has significant vacant land that is already serviced with utilities and roads and is ready for development. Any new increment generation that takes place within the TID #3 boundary will allow the City a combination of accelerating repayment of existing or expending additional funds in the projects listed in Section V of this amended project plan. The City anticipates borrowing funds for project costs as the funds become available. The last date for project cost expenditures is September 30, 2015.

ECONOMIC FEASIBILITY/CASHFLOW TABLE

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BEGINNING BALANCE Jan. 1	\$3,640,705	\$2,405,054	\$1,820,638	\$898	\$399,709	\$790,886	\$3,110,002	\$6,000,044	\$8,569,165	\$11,714,596
REVENUES	\$8,642,127	\$8,439,008	\$7,026,437	\$7,092,811	\$7,159,849	\$7,227,557	\$7,794,853	\$7,466,012	\$8,040,772	\$12,575,230
EXISTING DEBT/NEW PROJECTS/OTHER DISBURSEMENTS	-\$9,877,778	-\$9,023,424	-\$8,846,177	-\$6,694,000	-\$6,768,672	-\$4,908,441	-\$4,904,811	-\$4,896,891	-\$4,895,341	-\$4,612,457
ENDING BALANCE - Dec. 31/AVAILABLE FOR NEW PROJECTS	\$2,405,054	\$1,820,638	\$898	\$399,709	\$790,886	\$3,110,002	\$6,000,044	\$8,569,165	\$11,714,596	\$19,677,369

SECTION VIII. CONSISTENCY OF ACTIVITIES WITHIN TAX INCREMENT DISTRICT #3 WITH THE CITY ZONING ORDINANCE, MASTER PLAN AND OTHER DEVELOPMENT ORDINANCES

No change to this section.

SECTION IX. STATEMENT ON RELOCATION

No change to this section



OFFICE OF THE CITY ADMINISTRATOR

CITY OF MIDDLETON
7426 HUBBARD AVENUE
MIDDLETON, WI 53562-3118

PH 608.821-8358 FAX 608.827.1057
E-MAIL: mdavis@ci.middleton.wi.us
WEB: www.CityofMiddleton.us

June 24, 2011

Kurt Sonnentag, Mayor
City of Middleton
7426 Hubbard Ave.
Middleton, WI 53562

Re: Tax Increment District #3, Amendment #7, City of Middleton, Wisconsin

Dear Kurt:

The City of Middleton is proposing to execute its fourth and final boundary amendment for our Tax Increment District #3. The boundary amendment will be a subtraction only of about \$74 million in taxable value; therefore, no additional parcels are proposed to be added. **The great news for our taxing jurisdictions is that Middleton's subtraction will yield more funds for badly needed operating budgets starting in 2013.**

Section 66.1105, Wis. Stats., requires the City to notify all of the affected taxing jurisdictions. Enclosed is a copy of the legal notice advertising the public hearing at which the City will present for consideration its proposed TID #3 boundary amendment. The TID #3 project plan does anticipate additional public improvements to be undertaken prior to the ending of the spending period or September 30, 2015. TID #3 Amendment #7 increases the proposed project costs from \$67,914,000 to a potential \$113,414,000 if all the proposed project costs are undertaken or an increase of \$45,500,000.

The public hearing is scheduled for Monday, July 26, 2011 beginning at 7:00 p.m. Prior to the public hearing, we request that the Joint Review Board meet at 6:30 p.m. in order to elect a Chairperson and a member-at-large. Enclosed please find the agenda for that meeting. We ask that you send a representative of your taxing jurisdiction to the Joint Review Board meeting at 6:30 p.m. If your representative cannot attend the Joint Review Board meeting, please assign an alternative representative so that we can be assured of a quorum and proceed with the process of amending the TID #3 boundary and project plan. We also encourage that representative to attend the Plan Commission public hearing immediately afterward to hear public input.

Please give your representative a copy of this letter as well as the notice, agenda and copy of the amended project plan.

We will be contacting you to obtain the name and address of your representative as well as to confirm attendance at this meeting. If we may address any questions, please contact John Lehman, Assistant City Administrator/Finance Director at his direct number of 821-8356 or at jlehman@ci.middleton.wi.us.

Sincerely,

Mike Davis,
City Administrator & Director of Community Development

Enclosure: Public Hearing Notice
Joint Review Board Agenda
TID #3 Amendment #7 draft project plan



OFFICE OF THE CITY ADMINISTRATOR

CITY OF MIDDLETON
7426 HUBBARD AVENUE
MIDDLETON, WI 53562-3118

PH 608.821-8358 FAX 608.827.1057
E-MAIL: mdavis@ci.middleton.wi.us
WEB: www.CityofMiddleton.us

June 24, 2011

Joe Parisi, County Executive
City-County Building
210 Martin Luther King, Jr. Blvd.
Madison, WI 53703

Re: Tax Increment District #3, Amendment #7, City of Middleton, Wisconsin

Dear Joe:

The City of Middleton is proposing to execute its fourth and final boundary amendment for our Tax Increment District #3. The boundary amendment will be a subtraction only of about \$74 million in taxable value; therefore, no additional parcels are proposed to be added. **The great news for our taxing jurisdictions is that Middleton's subtraction will yield more funds for badly needed operating budgets starting in 2013.**

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Sincerely,

Mike Davis,
City Administrator & Director of Community Development

Enclosure: Public Hearing Notice
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TID #3 Amendment #7 draft project plan



OFFICE OF THE CITY ADMINISTRATOR

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7426 HUBBARD AVENUE
MIDDLETON, WI 53562-3118

PH 608.821-8358 FAX 608.827.1057
E-MAIL: mdavis@ci.middleton.wi.us
WEB: www.CityofMiddleton.us

June 24, 2011

Don Johnson, Superintendent
Middleton-Cross Plains School District
7106 South Ave.
Middleton, WI 53562

Re: Tax Increment District #3, Amendment #7, City of Middleton, Wisconsin

Dear Don:

The City of Middleton is proposing to execute its fourth and final boundary amendment for our Tax Increment District #3. The boundary amendment will be a subtraction only of about \$74 million in taxable value; therefore, no additional parcels are proposed to be added. **The great news for our taxing jurisdictions is that Middleton's subtraction will yield more funds for badly needed operating budgets starting in 2013.**

Section 66.1105, Wis. Stats., requires the City to notify all of the affected taxing jurisdictions. Enclosed is a copy of the legal notice advertising the public hearing at which the City will present for consideration its proposed TID #3 boundary amendment. The TID #3 project plan does anticipate additional public improvements to be undertaken prior to the ending of the spending period or September 30, 2015. TID #3 Amendment #7 increases the proposed project costs from \$67,914,000 to a potential \$113,414,000 if all the proposed project costs are undertaken or an increase of \$45,500,000.

The public hearing is scheduled for Monday, July 26, 2011 beginning at 7:00 p.m. Prior to the public hearing, we request that the Joint Review Board meet at 6:30 p.m. in order to elect a Chairperson and a member-at-large. Enclosed please find the agenda for that meeting. We ask that you send a representative of your taxing jurisdiction to the Joint Review Board meeting at 6:30 p.m. If your representative cannot attend the Joint Review Board meeting, please assign an alternative representative so that we can be assured of a quorum and proceed with the process of amending the TID #3 boundary and project plan. We also encourage that representative to attend the Plan Commission public hearing immediately afterward to hear public input.

Please give your representative a copy of this letter as well as the notice, agenda and copy of the amended project plan.

We will be contacting you to obtain the name and address of your representative as well as to confirm attendance at this meeting. If we may address any questions, please contact John Lehman, Assistant City Administrator/Finance Director at his direct number of 821-8356 or at jlehman@ci.middleton.wi.us.

Sincerely,

Mike Davis,
City Administrator & Director of Community Development

Enclosure: Public Hearing Notice
Joint Review Board Agenda
TID #3 Amendment #7 draft project plan

From: Mike Davis [mailto:mdavis@ci.middleton.wi.us]

Sent: Mon 6/27/2011 10:18 AM

To: parisi@countyofdane.com; Betsey Barhorst (bbarhorst@matcmadison.edu);
djohnson@mcpasd.k12.wi.us; Carol Jensen (cajensen89@charter.net); Mayor

Cc: twohlleber@mcpasd.k12.wi.us; worzala@countyofdane.com; John Lehman; Eileen Kelley;
Susan Hoeft; Larry Bechler (lbechler@murphydesmond.com); Common Council;
'dbarmore@tds.net' (dbarmore@tds.net); Marilyn Mosigin; KAcree@murphydesmond.com

Subject: TID Boundary Amendment Public Hearing Date

Dear Municipal Partners of Middleton's Joint Review Board,

Mayor Sonnentag brought to my attention that the notice I sent out on Friday stated that the joint review board meeting and public hearing would be on Monday, July 26. That is incorrect. **The meetings will be on Tuesday, July 26, at 6:30 p.m.**

(Joint Review Board) and 7 p.m. (Public Hearing), respectively.

Fortunately, the notice and the agenda are correct. My apologies for the error.

Mike Davis

City Administrator & Director of Community Development

7426 Hubbard Avenue

Middleton, WI 53562

(608) 821-8358

CITY OF MIDDLETON
TIF DISTRICT NO. 3 AMENDMENT NO. 7

JOINT REVIEW BOARD

AGENDA

July 26, 2011

6:30 p.m.

City Hall Council Chambers

7426 Hubbard Avenue, City of Middleton

1. Call to order
2. Election of Chairperson
3. Election of Fifth Member-at-large
4. Initial explanation of TID #3 Amendment #7 boundary subtraction and project plan amendment
5. Other items as allowed by law
6. Set next meeting
7. Adjourn

Publish in newspaper
Publish on July 7 & 14, 2011

PUBLIC NOTICE
CITY OF MIDDLETON

TO WHOM IT MAY CONCERN:

At a meeting of the City Middleton Plan Commission to be held on or about 7:00 p.m., Tuesday, July 26, 2011 at City Hall, 7426 Hubbard Avenue, Middleton, Wisconsin, a Public Hearing will be held on the proposed project plan amendment for the City of Middleton Tax Increment District #3 (TID #3). The purpose of the TID #3 Amendment #7 project plan is to subtract properties from the district boundary. The Project Plan lists an increase of project costs from the estimated \$67,414,000 listed in TID #3, Amendment #3, to \$113,414,000, or an increase of \$45,500,000.

A copy of the proposed Project Plan and Boundary amendment for TID #3 Amendment #7 is available and will be provided upon request at the City Clerk's office at City Hall between the hours of 7:45 am to 4:30 pm, Monday through Friday.

At the Public Hearing, interested parties will be afforded a reasonable opportunity to express their views on the proposed Project Plan amendment.

At a meeting of the Joint Review Board (JRB) for the proposed amendment to the City of Middleton TID #3 project plan at 6:30 p.m., Monday, July 26, 2011 at City Hall, City of Middleton, the chairperson and a fifth member-at-large will be chosen. This is the organizational meeting.

STATE OF WISCONSIN AFFIDAVIT OF PUBLICATION

being duly sworn, doth depose and say that he ~~is~~ she is an authorized representative of the:

NEWS-SICKLE-ARROW
SAUK PRAIRIE STAR
MIDDLETON TIMES-TRIBUNE
MOUNT HOREB MAIL
POST MESSENGER RECORDER
MARQUETTE COUNTY TRIBUNE
REEDSBURG INDEPENDENT

a weekly newspaper published by News Publishing Co. Inc. at

Middleton

in Dane County, Wisconsin

and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

July 7, 2011

July 14, 2011

SIGNED

Jarrod Garfoot
9-19-11

DATED

Diane Baumgartner

Notary Public, State of Wisconsin

My Commission Expires 9/21/14

of Lines _____ # of Weeks Published 2

Printers Fee \$ _____

Proof of Publication \$ _____

Total \$ _____

-or-

See monthly invoice for cost

Received Payment _____

PUBLIC NOTICE
CITY OF MIDDLETON

TO WHOM IT MAY CONCERN:

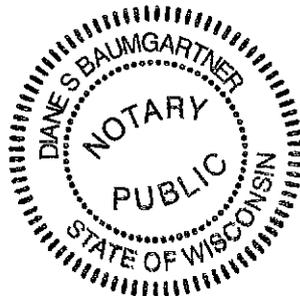
At a meeting of the City Middleton Plan Commission to be held on or about 7:00 p.m., Tuesday, July 26, 2011 at City Hall, 7426 Hubbard Avenue, Middleton, Wisconsin, a Public Hearing will be held on the proposed project plan amendment for the City of Middleton Tax Increment District #3 (TID #3). The purpose of the TID #3 Amendment #7 project plan is to subtract properties from the district boundary. The Project Plan lists an increase of project costs from the estimated \$67,414,000 listed in TID #3, Amendment #3, to \$113,414,000, or an increase of \$45,500,000.

A copy of the proposed Project Plan and Boundary amendment for TID #3 Amendment #7 is available and will be provided upon request at the City Clerk's office at City Hall between the hours of 7:45 am to 4:30 pm, Monday through Friday.

At the Public Hearing, interested parties will be afforded a reasonable opportunity to express their views on the proposed Project Plan amendment.

At a meeting of the Joint Review Board (JRB) for the proposed amendment to the City of Middleton TID #3 project plan at 6:30 p.m., Tuesday, July 26, 2011 at City Hall, City of Middleton, the chairperson and a fifth member-at-large will be chosen. This is the organizational meeting.

Publish: 7/07/11, 7/14/11 WMAXLP



MINUTES
CITY OF MIDDLETON
TIF DISTRICT NO. 3 AMENDMENT NO. 7
JOINT REVIEW BOARD

TUESDAY JULY 26, 2011 6:30 P.M.

Present: Mayor Kurt Sonnentag; Ellen Lindgren, Middleton Cross Plains School District; Hans Hilbert, Representing Dane County; Lorin Toepper, MATC; Carol Jensen, City of Middleton resident; Mike Davis, City of Middleton Administrator; John Lehman, City Finance Director; Eileen Kelley, City Planning Director; Susan Hoeft, City TID consultant; Abby Attoun, City Assistant Director of Community Development; Tyler Burkart, City Administrative Intern.

1. Call to Order

Mayor Kurt Sonnentag called the meeting to order at 6:30 pm.

2. Election of Chairperson

Moved by Ellen Lindgren, seconded by Lorin Toepper, to nominate Kurt Sonnentag as chair. Motion carried.

3. Election of Fifth Member-at-large

Moved by Lindgren, seconded by Toepper, to elect Carol Jensen as the fifth member of the Joint Review Board. Motion carried.

4. Initial Explanation of TID #3 Amendment #7 Boundary Subtraction and Project Plan Amendment

Susan Hoeft presented information regarding the three (3) main goals the City is trying to accomplish with Amendment #7: to subtract between \$73 million and \$74 million dollars of equalized real estate value and personal property value out of the TID #3 boundary; to further refine project costs; and to identify projects outside the TID area but within the ½ mile radius of the boundary.

5. Set Next Meeting

Joint Review Board members selected Tuesday, Sept. 6, 2011 at 4:30 p.m. as their next meeting date.

6. Adjourn

Moved by Toepper, seconded by Lindgren, to adjourn. Motion carried.

For more information, contact:

Eileen Kelley, City Planning Director & Zoning Administrator
Phone: 821-8370 Fax: 827-1080 E-mail: ekelley@ci.middleton.wi.us

MINUTES
MIDDLETON PLAN COMMISSION
TUESDAY JULY 26, 2011 7:00 P.M.

PRESENT: Sonnentag, Hilbert, Hungness, Barmore, Elskamp, Hubbard, Zellers

ALSO PRESENT: Kelley, Attoun-Tucker, Opitz

1. Minutes of 7-12-11

Moved by Hubbard, seconded by Elskamp, to approve the minutes of 7-12-11. Motion carried 7-0.

2. Approval of Proposed Project Plan Amendment and Boundary – Tax Increment Financing District #3, Amendment #7 (PC #1234g)

City consultant Susan Hoeft provided an overview of Tax Increment Financing District #3, Amendment #7.

Chairman Sonnentag opened the public hearing at 7:10 p.m.

Gurdip Brar, District #2 Alderman, asked about potential new increment.

Lila Moravec, 6421 Maywood Ave., asked if people present would be able to talk about the Amherst project later in the agenda.

Chairman Sonnentag closed the hearing at 7:16 p.m.

Moved by Hilbert, seconded by Barmore, to approve the Resolution Amending the Boundaries and Project Plan Tax Increment District No. 3, and recommend approval to the Common Council. Motion carried 7-0.

3. Design Review Revision for Roof – Captain Bill’s Restaurant, 2701 Century Harbor Rd. (PC #1300)

Moved by Hilbert, seconded by Zellers, to approve the design review revision as submitted, using reclaimed galvanized metal roofing panels on the porte-cochere. Motion carried 7-0

4. Specific Implementation Plan (SIP) Modification, Discovery Springs Planned Development District (PDD) – Sign Package, Madison Vein & Laser Institute, 2275 Deming Way (PC #1872)

Moved by Hungness, seconded by Elskamp, to approve the sign package as submitted as a minor SIP modification. Motion carried 7-0.

5. Review Proposals for the Amherst Rd. Residential Redevelopment Project, 2404, 2406, 2408, 2410, 2412, 2414, 2416, 2418, 2420 and 2422 Amherst Road (PC #2272)

Staff provided an overview of the two proposals, and Plan Commission members discussed the proposals and the process for reviewing and evaluating them. Hilbert asked if Habitat

for Humanity would be involved in construction of the duplexes and triplexes in the Wisconsin Partnership for Housing Development proposal, and Barmore asked if Zingg Design would design each of the units in that proposal. Sonnentag said it seems as if the Goff proposal, at first glance, might be more compatible with the neighborhood. Hilbert indicated that he would really like the City to commit to affordable housing. Elskamp and Hilbert both said they want to ensure marketability of the projects. Zellers stated that the answer to the density issue is probably somewhere in between the two proposals, with garages and adequate storage areas.

Moved by Hungness, seconded by Hilbert, to provide an opportunity for public comment at the Tuesday, August 23, 2011 Plan Commission meeting, with presentations of the two proposals first. Motion carried 7-0.

6. **City/Developer Agreement - Hidden Oaks, Phase IV (PC #2293)**

Moved by Barmore, seconded by Zellers, to approve and recommend approval to the Common Council, contingent upon resolution of staff comments dated July 21, 2011, and review and approval by the City Attorney. Motion carried 7-0.

7. **Specific Implementation Plan (SIP) Modification, Discovery Springs PDD – Monument Sign for Plaza 14, 8313 Murphy Dr. (PC #1972)**

Moved by Zellers, seconded by Elskamp, to approve the monument sign as a minor SIP modification contingent on the use of plantings to soften the sign base, with staff approval of the landscaping plan. Motion carried 7-0.

8. **Specific Implementation Plan (SIP) Modification, Discovery Springs PDD – Additional Monks Wall Sign, 8313 Murphy Dr. (PC #1972)**

Moved by Zellers, seconded by Barmore, to approve as a minor SIP modification. Motion carried 7-0.

9. **Specific Implementation Plan (SIP) Modification, Discovery Springs PDD – Sign Package for Tires Plus, 8341 Murphy Dr. (PC #2268)**

Moved by Hilbert, seconded by Hungness, to approve the following as a minor SIP modification:

- The proposed wall signs except for B2, leaving the cream band to appear as the elevation near the northwest corner of the building.
- The ten 6 sq. ft. signs over the garage bay entrances
- The monument sign with a base not to exceed a height of 4 feet and with the use of plantings to soften the base, with staff approval of the landscaping plan.

Motion carried 7-0.

10. **Concept Review – Request for Rezoning – Highland Property Group, 2-Lot Infill on Corner of South Ave. & Middleton St. (PC #2294)**

Following discussion, moved by Barmore, seconded by Elskamp, to grant concept approval. Motion carried 7-0.

11. Future Urban Development Area (FUDA) Planning Update (PC #2261)

Staff provided a brief update. No action was necessary.

Moved by Hilbert, seconded by Elskamp, to adjourn. Motion carried 7-0.

EILEEN KELLEY

Note: These minutes were prepared by Eileen Kelley, Planning Director & Zoning Administrator. These minutes are based on the notes of the recorder and are subject to change at a subsequent meeting.

PLAN COMMISSION OF THE CITY OF MIDDLETON

**RESOLUTION AMENDING THE BOUNDARIES AND PROJECT PLAN
TAX INCREMENT DISTRICT NO. 3
CITY OF MIDDLETON, WISCONSIN**

WHEREAS, the City of Middleton Plan Commission has prepared an Amendment to the Project Plan for Tax Increment District No. 3, which subtracts territory from the District in a way that does not remove contiguity from the District and refines and increases the potential project costs to be expended in Tax Increment District No. 3; and

WHEREAS, a public hearing was properly noticed and held by the Plan Commission on July 26, 2011, wherein interested parties were afforded a reasonable opportunity to express their views on the proposed Project Plan amendment and the proposed boundary amendments thereof; and

WHEREAS, the City of Middleton has notified the Chief Executive Office of the Middleton-Cross Plains School District, the Dane County Board and the Madison Area Technical College, representing the entities having power to levy taxes on property located within TID No. 3 pursuant to Wis. Stats. Section 66.1105(4)(a); and

WHEREAS, pursuant to such procedure and after due reflection and consideration, the Plan Commission desires to favorably recommend to the Common Council of the City of Middleton the amendment to the boundaries of Tax Increment District No. 3, the lands of which are shown on a map on the attached Exhibit A, which is entitled "City of Middleton TID No. 3 Map 1: Proposed Amended Boundary," and the Boundary and Project Plan;

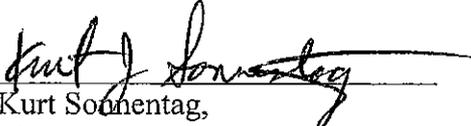
NOW, THEREFORE, BE IT RESOLVED by the Plan Commission of the City of Middleton as follows:

1. Amendment No. 7 to Tax Increment District No. 3, including the text and boundary map included therein in the form attached hereto as Exhibit "A" is hereby adopted.
2. Such Amended Project Plan for Tax Increment District No. 3 remains feasible after subtraction of the properties as set forth in the said Project Plan amendment.
3. The Amended Project Plan for TID No. 3 is in conformity with the Comprehensive Plan of the City of Middleton.

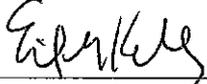
BE IT FURTHER RESOLVED that the Plan Commission recommends that the Common Council approve the amendment to the boundaries of Tax Increment District No. 3, City of Middleton Wisconsin, and Amendment No. 7 of the Boundary and Project Plan for Tax Increment District No. 3 pursuant to the provisions of Wis. Stats. Section 66.1105(4)(h)1.

This Resolution was duly adopted at a regular meeting of the Plan Commission of the City of Middleton on the 26th day of July, 2011.

PLAN COMMISSION

By: 
Kurt Sonntag,
Plan Commission Chair

ATTEST:

By: 
Eileen Kelley,
Plan Commission Secretary

Ayes: 1
Noes: 0
Adopted: 7-26-11

RESOLUTION NO. 2011-43

**RESOLUTION AMENDING TAX INCREMENT DISTRICT NO. 3
PROJECT PLAN AND BOUNDARIES**

WHEREAS, the City of Middleton Plan Commission has prepared and adopted an Amendment to the Project Plan for Tax Increment District No. 3, which subtracts territory from the District in a way that does not remove contiguity from the District and refines and increases the potential project costs to be expended in Tax Increment District No. 3; and

WHEREAS, a public hearing as properly noticed and held by the Plan Commission on July 26, 2011, wherein interested parties were afforded a reasonable opportunity to express their views on the proposed Project Plan amendment and the proposed boundary amendments thereof; and

WHEREAS, the City of Middleton has notified the Chief Executive Office of the Middleton-Cross Plains School District, the Dane County Board and the Madison Area Technical College, representing the entities having power to levy taxes on property located within TID No. 3 pursuant to Wis. Stats. § 66.1105(4)(a); and

WHEREAS, the City Plan Commission has submitted such Amended Project Plan to the Common Council of the City of Middleton;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Middleton as follows:

1. Amendment No. 7 to Tax Increment District No. 3, including the text and boundary map included therein in the form attached hereto as Exhibit "A" is hereby approved in accordance with Wis. Stats. § 66.1105(4)(h)2.
2. Such Amended Project Plan for Tax Increment District No. 3 remains feasible after subtraction of the properties as set forth in the said Project Plan amendment.
3. The Amended Project Plan for TID No. 3 is in conformity with the Comprehensive Plan of the City of Middleton, as well as other policies and laws of the City of Middleton.

This Resolution shall take effect upon approval by the Joint Review Board pursuant to Wis. Stats. § 66.1105(4m).

This Resolution was duly adopted at a regular meeting of the Common Council of the City of Middleton on the 20th day of September, 2011.

CITY OF MIDDLETON

By: Kurt J. Somentag
Kurt J. Somentag, Mayor

ATTEST:

John M. Lehman
John Lehman, Acting Clerk

Ayes: 7
Noes: 0
Adopted: yes 9/20/11

STATE OF WISCONSIN AFFIDAVIT OF PUBLICATION

Sandi Garfoot

being duly sworn, doth depose and say that he/she is an authorized representative of the:

NEWS-SICKLE-ARROW

SAUK PRAIRIE STAR

MIDDLETON TIMES-TRIBUNE

MOUNT HOREB MAIL

POST MESSENGER RECORDER

MARQUETTE COUNTY TRIBUNE

REEDSBURG INDEPENDENT

a weekly newspaper published by News Publishing Co. Inc. at

Middleton

in Dane County, Wisconsin

and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

Sept 22, 2011

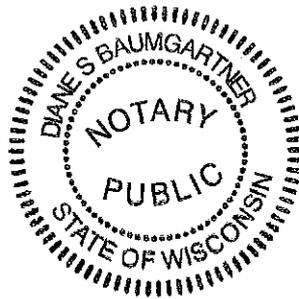
PUBLIC NOTICE
CITY OF MIDDLETON
TO WHOM IT MAY CONCERN:

At a meeting of the Joint Review Board for the City of Middleton TID No. 3, Amendment No. 7, to be held at 1:00 p.m., Thursday, September 29, 2011 at City Hall, 7426 Hubbard Ave., Middleton, Wisconsin, discussion and action will be taken on the proposed resolution ratifying the City Council resolution amending TID No. 3.

A copy of TID #3 Amendment #7 Project Plan is available at the City Clerk's office.

At the Joint Review Board meeting, interested parties will be afforded a reasonable opportunity to express their views on the proposed Project Plan and Boundary amendment.

Publish: 9/22/11 WNAXLP



SIGNED Sandi Garfoot

DATED 9-22-11

Diane S. Baumgartner

Notary Public, State of Wisconsin

My Commission Expires 9/21/14

of Lines _____ # of Weeks Published 1

Printers Fee \$ _____

Proof of Publication \$ _____

Total \$ _____

-or-

See monthly invoice for cost

Received Payment _____

JOINT REVIEW BOARD

TIF DISTRICT NO. 3
AMENDMENT NO. 7

CITY OF MIDDLETON

INFORMATION AND PROJECTIONS

Wisconsin state law requires that certain information and projections be provided to the Joint Review Board. The contents are listed in Section 66.1105(4m)(c)(1), Wis. Stats.

(i) *The local legislative body shall provide the joint review board with the following information and projections:*

1. *The specific items that constitute the project costs, the total dollar amount of these project costs to be paid with the tax increments, and the amount of tax increments to be generated over the life of the tax incremental district.*

Response:

Amendment #7 refines the list of project costs found in the original TID No. 3 project plan, adopted in 1993 and also in Amendment #3, adopted in March, 2002. The project costs in Amendment #7 continue with improvements that were identified in these earlier project plans. These improvements include, but are not limited to, stormwater and water quality management projects, vehicular, bike and pedestrian improvements, economic development and business recruitment participation and downtown improvements, more specifically parking improvements.

The City proposes that the total estimated project costs to be incurred by 2015 (mandatory end of spending period) be changed from \$67,914,000 as identified in Amendment #3, to \$113,414,000 or a potential increase of \$45,500,000.

With the conservative assumption that no additional increment will be generated within the remaining life of the TID (mandatory retirement is 2020), an additional approximate \$20,000,000 of tax increment revenues are estimated to be generated. The City will carefully monitor additional tax increment revenues and propose project costs that will be paid by actual collection of tax increment revenues.

2. *The amount of the value increment when the project costs in subd. 1 are paid in full and the tax incremental district is terminated.*

Response:

TID #3 currently has a reported equalized increment value of \$268,038,300 as of January 1, 2011. Due to a 70.57 correction and reflected in the August 15, 2011 Department of Revenue's TIF Limit Valuation Report, the \$268,038,300 is \$61,231,100 less than the actual total increment value. The August 15, 2012 report should reflect the reinstatement of the \$61,231,100 for a total equalized value increment of \$329,269,400. In addition, parcels inadvertently omitted in previous reporting will add an additional estimated \$65-70,000,000 to the total increment value. These changes and corrections plus any other changes that took place during 2011 will bring the 2012 total increment value closer to the 2010 reported total equalized increment value of \$409,373,600. For conservative estimating purposes of Amendment #3, no further increment is anticipated to be constructed and generated in the life of the TID.

3. *The reasons why the project costs in subd. 1 may not or should not be paid by the owners of property that benefit by improvements within the tax incremental district.*

Response:

Given the annual tax increment revenues generated, TID #3 could retire a portion of its current debt in 2015. However, existing development agreements require keeping TID #3 open until its statutorily-mandated retirement date or 2020. Amendment #7 is the last boundary amendment currently allowed by law for TID #3. This amendment will bring an additional \$73-74 million of tax base back onto the tax rolls. The total value of properties back on the general tax rolls with the three subtractions totals approximately \$225,000,000.

Due to the continued economic climate and change in the State of Wisconsin's budgetary considerations and their impact on local communities, the City is using its last boundary amendment to help ease the general fund financial burden by transferring almost \$74,000,000 to the tax rolls for general tax relief. Consequently, tax revenues collected in TID #3 will be less than anticipated at the last boundary amendment and retirement of the district will take the full statutorily-allowed time frame or 2020. The City will continue to responsibly use TID #3 tax revenues to encourage and expand business, create new jobs and use sustainable methods for redevelopment, continue with stormwater and water quality management which benefits the entire region and continue to be a business leader in the region. Use of TID revenues will make all of this possible as has been demonstrated since the 1993 creation of TID #3.

4. *The share of the projected tax increments in subd. 1 estimated to be paid by the owners of taxable property in each of the taxing jurisdictions overlying the tax incremental district.*

Response:

The January 1, 2011 total equalized value of TID #3 was \$332,746,200 and the total increment valued at \$268,038,600. As explained above, these values will be increased in 2012 with the reinstating of properties inadvertently omitted from the TID in previous reporting. Assuming that the district will remain open until 2020 and that no further development occurs within the district, it is possible that an estimated additional \$19,677,369 of tax revenues will be generated with 2011-2020 tax revenue collections (see table at end of project plan). The share of project tax increments estimated to be paid by the owners of taxable property in each of the taxing jurisdictions could be estimated as follows:

State of Wisconsin	.895%	\$176,112
Dane County	14.32%	\$2,817,799
Middleton/CP School District	49.293%	\$9,699,566
Madison Area Technical College	7.773%	\$1,529,522
City of Middleton	27.72%	\$5,454,567

(Discrepancies may occur due to rounding)

5. *The benefits that the owners of taxable property in the overlying taxing jurisdictions will receive to compensate them for their share of the project tax increments in subd. 4.*

Response:

The long-term benefits to not only the City of Middleton residents but those in the overlying taxing jurisdictions have been evident since creation of TID #3 in 1993. Over 4000 jobs have been created as well as \$600,000,000 of new tax base. The implementation of stormwater and water quality management projects has significantly enhanced the areas in TID #3 as well as downstream into Lake Mendota and further. Blight elimination through redevelopment and appropriate new development affects the entire community and region. Lastly, subtracting up to an additional \$74,000,000 of value and putting this value back on the general tax rolls will bring immediate and direct economic relief to the owners of taxable property in the overlying taxing jurisdictions. This single benefit alone fulfills the spirit of the Tax Increment Financing law.

JOINT REVIEW BOARD

TIF DISTRICT NO. 3
AMENDMENT NO. 7

CITY OF MIDDLETON

DECISION CRITERIA

Under the Wisconsin Statutes, Joint Review Boards must base their decision to approve or deny a proposed tax incremental district plan and boundary designation on the following criteria:

- A. *Whether the development expected in the tax incremental district would occur without the use of tax incremental financing;*
- B. *Whether the economic benefits of the tax incremental district, as measured by increased employment, business and personal income and property value are insufficient to compensate for the cost of improvements; and*
- C. *Whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying tax districts.*

This report has been prepared to address those criteria by providing some information and data on the impact of TIF District No. 3, Amendment No. 7, in the City of Middleton. The criteria are addressed in turn below.

- A. TIF District No. 3 was created for multiple purposes which included, but were not limited to the following: job creation (living wage jobs); tax base creation; diversifying the tax base from higher percentages of residential to more commercial and industrial/business, development to the City's standards of under-utilized properties through stormwater and water quality management projects, controlling the aesthetics of the properties along the Highway 12 corridor; providing services for appropriate development; business recruitment and enhancing land use patterns and relocating inappropriate land uses to further enhance development of abutting properties.
- B. While the economic benefits of creating TIF District No. 3 were numerous and will benefit not only the City of Middleton but also the overlying taxing jurisdictions as well, the amount of revenue generated from increased employment and income taxes as well as increases in property values is insufficient to compensate for the project expenditures and debt service associated with borrowing for those project costs. As the City has demonstrated since creation of TID #3 in 1993, through the economically responsible use of tax increment financing, can these project costs be paid.

- C. Amendment of TID #3 to subtract an additional \$73-74 million of value for general fund and tax roll use is an immediate and direct benefit to the owners of property within the taxing jurisdictions. Continuation of projects undertaken within TID #3 will also have a far reaching impact on all property owners within the district.

RESOLUTION APPROVING CITY COUNCIL RESOLUTION
AMENDING TIF DISTRICT NO. 3 BOUNDARY & PROJECT PLAN
CITY OF MIDDLETON, WISCONSIN

WHEREAS, the Joint Review Board, Tax Incremental District No. 3, City of Middleton, Wisconsin, has reviewed the public record, planning documents and resolution related to the amended boundary and project plan for TIF District No. 3, City of Middleton, Wisconsin; and

WHEREAS, the Joint Review Board, Tax Incremental District No. 3, City of Middleton, Wisconsin has received in an open meeting additional information from the City of Middleton staff regarding the amended boundary and project plan for Tax Incremental District No. 3, City of Middleton, Wisconsin.

NOW, THEREFORE, BE IT RESOLVED that the Joint Review Board finds:

1. The development expected in TIF District No. 3, City of Middleton, Wisconsin, would not occur without the use of tax incremental financing;
2. The economic benefits of TIF District No. 3, City of Middleton, Wisconsin, as measured by increased employment, business and personal income and property value, are insufficient to compensate for the cost of the improvements;
3. The benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

Adopted this 29th day of September, 2011.

JOINT REVIEW BOARD
TAX INCREMENTAL DISTRICT No. 3
AMENDMENT No. 7
CITY OF MIDDLETON, WISCONSIN

Kurt Sonntag, Chair

*