

CITY OF MIDDLETON  
TAX INCREMENT  
FINANCING DISTRICT  
No. 3  
AMENDMENT No. 3

City Council Action

March 19, 2002

Prepared by:

Vandewalle & Associates  
Madison, Wisconsin

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## SECTION I. INTRODUCTION

The City of Middleton created TID No. 3 in 1993. Since that time, the district has been amended twice, once to reflect project cost changes and the other to incorporate additional project costs and amend the boundary.

TID No. 3, Amendment No. 3 proposes additional projects that are a continuation of projects listed in the original project plan as well as both amendments. These new projects are a result of new and redevelopment taking place within the TID boundaries that necessitate the addition of the listed projects.

To date, TID No. 3 is extremely economically feasible and is successful in obtaining the goals and objectives from which it was originally created. New and redevelopment has taken place that has greatly enhanced the Downtown area and new business park areas as well as eliminate blight, create jobs, diversify the tax base and contribute to the orderly growth of the community.

This document includes amended tables and narratives which should be attached to the original project plan and two amendments as continued updates and further clarification of project costs and/or economic feasibility. Amended sections include:

1. Amended Section V. Proposed Public Works and Estimated Costs with Revised Table 1; and
2. Amended Section VII. Economic Feasibility Analysis with its accompanying Revised Tables 4 and 5.

## **AMENDED SECTION V. PROPOSED PUBLIC WORKS AND ESTIMATED COSTS**

Table 1 has been amended to reflect actual project activities and costs expended to date within TID #3. In addition, project costs yet to be expended have been refined based on current and future planning and revitalization, redevelopment and new development needs. The proposed changes are intended to further identify public improvement projects that are a result of the current and future development within the TID.

In 1993 when TID No. 3 was created, it was estimated that development increments would total approximately \$40,700,000 by January 1 of 2001. The two subsequent amendments updated those figures to reflect actual State-certified development increments. As of January 1, 2001, the certified increment in TID No. 3 was \$136,184,200 or close to 350% more development increment than was originally projected by that date. This is significantly more than what was anticipated when the TID was first created.

The original TID #3 project plan included costs that were intended to complete public purpose improvements that were not undertaken in TID #1. Subsequent amendments updated those projects to reflect needed improvements based on developments that were proposed or constructed within TID #3 boundaries. Amendment #3 continues to update and identify public purpose improvements that are needed to meet the needs of the current and/or proposed new redevelopment within the TID #3 boundaries. Table 1 reflects those public improvement project changes that are anticipated to be constructed during the remaining life of the spending period of this TID.

One new project cost is a parking ramp slated for construction in Greenway Center. This ramp is estimated to cost \$5.8 million. The cost for construction has been earmarked for

years 2002 and 2003. It is anticipated that the project cost for this ramp will be paid by tax increment revenues generated from the TID.

Another new project cost is the addition of \$4 million to be earmarked toward Downtown Development Assistance. Several projects are being negotiated at this time. It is possible that the City will need to participate in some of these redevelopment activities. Consequently, the project plan has itemized out the \$4 million into the Downtown District for use should some of these redevelopment projects need City participation.

An addition \$300,000 of project costs have been put into the Stormwater Management District – North construction under floodplain mitigation. The actual construction costs may exceed the \$450,000 originally budgeted. Therefore, the additional funding was put in to cover these potential additional construction costs.

The Economic Development Fund monies have also been expanded. Potential projects that are anticipated but not contracted for at this time include an additional estimated \$1.5 million for Parmenter St. extension construction. An additional estimated \$750,000 is earmarked for Airport Transportation Maintenance Facility relocation costs. Additional monies have also been put into the ED Fund in anticipation of other projects needing additional funding once design and bidding is completed.

Lastly, an additional \$1 million was put into the line item identified as Airport Road improvements to west of City limits in anticipation that final construction costs may exceed the original \$3 million.

As stated above, actual costs through 2000 are depicted in Revised Table 1. Actual costs from 2001 will be available during the hearing process. This Revised Table 1 has costs

that may vary from Table 1 from Amendment No. 2. This is due to the 1999 Revised Table 1 having estimated costs and this current Revised Table 1 showing actual costs expended.

As is historically typical of the City of Middleton, the Plan Commission, CDA and Council continue to work closely with planning consultants on the long-range planning for the City and, specifically, TID #3. Project activities and expenditures reflected in Revised Table 1 reflect the consensus of all three bodies.

Revised Table 1 reflects estimates of the costs that are yet to be incurred. These costs will be refined as projects move forward. Revised Table 1 shows actual costs incurred through 2000. Actual project costs for 2001 will be provided by the City after all accounts have been closed out. The remaining years in which expenditures will be made are estimates.

All projects within Revised Table 1 may be moved and undertaken within any year remaining in the 10 year spending period. Listing of all project activities within the project plan allows the City to undertake any projects and pay for them through tax increment revenues. The purpose of listing anticipated project activities and estimated project costs is to give the City the flexibility to undertake the comprehensive approach to development that it historically has taken. Assigning an estimated budget to all project activities gives the City the budgetary control on spending within the TID.

In summary, changes to Revised Table 1 include the following:

1. Updated costs through 2000 by district.
2. Parking structure improvements to be located in Greenway Center (\$5.8 million, est.).

3. Rail station improvements in Greenway Center (\$1.5 million, est.). This cost was shown as rail matching fund under Greenway Center in the previous Amendment. The costs have not changed.
4. Downtown Development Assistance Fund addition.
5. Economic Development Fund projects identified in text above.
6. Stormwater Management – North additional \$300,000 in project costs.
7. Airport Road additional \$1 million in expenditures.
8. The deletion of the debt service line item. This was included in past tables but, due to the fact that debt service is automatically included in Revised Table 5, it is deleted from Revised Table 1 to reduce any redundancy.

Note that costs do not include any expenditures made toward rail switching equipment and the rail-related parking structure. There are no Non-tax Revenues anticipated in Revised Table 5.

As was stated in earlier documents, all project expenditures must be approved by the appropriate City commissions and councils prior to project activities being undertaken. City staff will carefully monitor the activities within TID #3 prior to recommending to Council project activities to be undertaken in their annual budgetary cycle.

## AMENDED SECTION VII. ECONOMIC FEASIBILITY ANALYSIS

Both Tables 4 and 5 have been revised to reflect current and projected conditions within TID #3. The development increment projections are based on State-certified values through January 1, 2001.

As of January 1, 2001, the State-certified increment was \$136,184,200. It is estimated that approximately \$6.8 million of net new increment was developed in 2001, bringing the total of new increment (net) up to almost \$143,000,000. The original project plan estimated close to \$45,000,000 of new development increment to be constructed during the life of the TID. New development increment projections, based on known development agreements either completed or being negotiated, could total \$130,000,000 in addition to the \$143,000,000 currently on the books.

The formats for Tables 4 and 5 remain the same. Property tax relief as passed in 1995 is taken into consideration in the net tax rate and the revenues generated by the new development increment.

The original project plan and first amendment anticipated a retirement of the district in the year 2014. Amendment No. 2 moved that anticipated retirement date to 2016. Revised Tables 4 and 5 now reflect the current tax collection scenario, approximately \$273,000,000 in new increment and \$67,914,000 in project costs. Based on these projections, the TID is now anticipated to retire in 2014.

# City of Middleton

TID No. 3 Amendment No. 3

Revised Table 4: Revenue Analysis

3/21/2002

Base Value Year	1993	Rate of Inflation	3.00 %
Base Value Amount	\$34,125 ...in \$1,000s	Interest Rate	6.50 %
Net Value Tax Rate	0.0199		

Construction Year 12/30	Development Increment Base	Tax Base Loss	Total Value	Inflation Factor	Total Current Value	Total Increment Value	Tax Revenue
1993	\$2,373	\$0	\$36,498	1.0000	\$36,498	\$2,373	\$0
1994	\$20,140	\$0	\$54,265	1.0300	\$55,893	\$21,768	\$0
1995	\$29,312	\$0	\$63,437	1.0609	\$67,300	\$33,175	\$66
1996	\$57,147	\$0	\$91,272	1.0927	\$99,736	\$65,611	\$541
1997	\$60,841	\$0	\$94,966	1.1255	\$106,885	\$72,760	\$717
1998	\$86,445	\$0	\$120,570	1.1593	\$139,774	\$105,649	\$1,221
1999	\$98,201	\$0	\$132,326	1.1941	\$158,004	\$123,879	\$1,348
2000	\$136,184	\$0	\$170,309	1.2299	\$209,459	\$175,334	\$1,937
2001	\$142,984	\$0	\$177,109	1.2668	\$224,357	\$190,232	\$1,854
2002	\$188,484	\$0	\$222,609	1.3048	\$290,455	\$256,330	\$3,487
2003	\$253,484	\$0	\$287,609	1.3439	\$386,523	\$352,398	\$3,783
2004	\$272,984	\$0	\$307,109	1.3842	\$425,111	\$390,986	\$5,097
2005	\$272,984	\$0	\$307,109	1.4258	\$437,864	\$403,739	\$7,007
2006	\$272,984	\$0	\$307,109	1.4685	\$451,000	\$416,875	\$7,775
2007	\$272,984	\$0	\$307,109	1.5126	\$464,530	\$430,405	\$8,028
2008	\$272,984	\$0	\$307,109	1.5580	\$478,466	\$444,341	\$8,290
2009	\$272,984	\$0	\$307,109	1.6047	\$492,820	\$458,695	\$8,559
2010	\$272,984	\$0	\$307,109	1.6528	\$507,605	\$473,480	\$8,836
2011	\$272,984	\$0	\$307,109	1.7024	\$522,833	\$488,708	\$9,121
2012	\$272,984	\$0	\$307,109	1.7535	\$538,518	\$504,393	\$9,415
2013	\$272,984	\$0	\$307,109	1.8061	\$554,673	\$520,548	\$9,718
2014	\$272,984	\$0	\$307,109	1.8603	\$571,314	\$537,189	\$10,030
2015	\$272,984	\$0	\$307,109	1.9161	\$588,453	\$554,328	\$10,351
2016	\$272,984	\$0	\$307,109	1.9736	\$606,107	\$571,982	\$10,682
2017	\$272,984	\$0	\$307,109	2.0328	\$624,290	\$590,165	\$11,023
2018	\$272,984	\$0	\$307,109	2.0938	\$643,018	\$608,893	\$11,374
2019	\$272,984	\$0	\$307,109	2.1566	\$662,309	\$628,184	\$11,735
2020	\$272,984	\$0	\$307,109	2.2213	\$682,178	\$648,053	\$12,108
<b>Totals</b>		<b>\$0</b>					<b>\$127,862</b>

Notes: All amounts are in \$1,000s  
Two year lag between construction and collection of taxes.

# City of Middleton

TID No. 3 Amendment No. 3

## Revised Table 5: Expenditure Analysis

3/21/2002

Construction Year 12/30	Tax Revenue	Non-tax Revenue	Total Revenue	Cumulative revenue	Project Costs (Nominal \$)	Account Balance 1-Jan	Debt Service	Account Balance 31-Dec	Annual Amount Borrowed
1993	\$0	\$0	\$0	\$0	\$343	(\$343)	\$22	(\$366)	(\$366)
1994	\$0	\$0	\$0	\$0	\$1,294	(\$1,660)	\$108	(\$1,767)	(\$1,402)
1995	\$66	\$0	\$66	\$66	\$666	(\$2,368)	\$154	(\$2,522)	(\$754)
1996	\$541	\$0	\$541	\$607	\$1,814	(\$3,795)	\$247	(\$4,041)	(\$1,520)
1997	\$717	\$0	\$717	\$1,324	\$2,105	(\$5,429)	\$353	(\$5,782)	(\$1,741)
1998	\$1,221	\$0	\$1,221	\$2,545	\$5,818	(\$10,380)	\$675	(\$11,054)	(\$5,272)
1999	\$1,348	\$0	\$1,348	\$3,893	\$5,525	(\$15,231)	\$990	(\$16,221)	(\$5,166)
2000	\$1,937	\$0	\$1,937	\$5,830	\$11,627	(\$25,911)	\$1,684	(\$27,595)	(\$11,374)
2001	\$1,854	\$0	\$1,854	\$7,684	\$5,342	(\$31,083)	\$2,020	(\$33,103)	(\$5,508)
2002	\$3,487	\$0	\$3,487	\$11,171	\$17,580	(\$47,196)	\$3,068	(\$50,264)	(\$17,161)
2003	\$3,783	\$0	\$3,783	\$14,953	\$15,800	(\$62,281)	\$4,048	(\$66,330)	(\$16,066)
2004	\$5,097	\$0	\$5,097	\$20,050		(\$61,233)	\$3,980	(\$65,213)	\$0
2005	\$7,007	\$0	\$7,007	\$27,058		(\$58,205)	\$3,783	(\$61,989)	\$0
2006	\$7,775	\$0	\$7,775	\$34,833		(\$54,214)	\$3,524	(\$57,738)	\$0
2007	\$8,028	\$0	\$8,028	\$42,861		(\$49,709)	\$3,231	(\$52,941)	\$0
2008	\$8,290	\$0	\$8,290	\$51,151		(\$44,651)	\$2,902	(\$47,553)	\$0
2009	\$8,559	\$0	\$8,559	\$59,709		(\$38,995)	\$2,535	(\$41,529)	\$0
2010	\$8,836	\$0	\$8,836	\$68,545		(\$32,694)	\$2,125	(\$34,819)	\$0
2011	\$9,121	\$0	\$9,121	\$77,666		(\$25,698)	\$1,670	(\$27,368)	\$0
2012	\$9,415	\$0	\$9,415	\$87,081		(\$17,953)	\$1,167	(\$19,120)	\$0
2013	\$9,718	\$0	\$9,718	\$96,799		(\$9,402)	\$611	(\$10,013)	\$0
2014	\$10,030	\$0	\$10,030	\$106,829		\$17	\$0	\$0	\$0
2015	\$10,351	\$0	\$10,351	\$117,180		\$0	\$0	\$0	\$0
2016	\$10,682	\$0	\$10,682	\$127,862		\$0	\$0	\$0	\$0
2017	\$11,023	\$0	\$11,023	\$138,885		\$0	\$0	\$0	\$0
2018	\$11,374	\$0	\$11,374	\$150,259		\$0	\$0	\$0	\$0
2019	\$11,735	\$0	\$11,735	\$161,994		\$0	\$0	\$0	\$0
2020	\$12,108	\$0	\$12,108	\$174,102		\$0	\$0	\$0	\$0
<b>Totals</b>	<b>\$127,862</b>	<b>\$0</b>	<b>\$127,862</b>		<b>\$67,914</b>				<b>(\$66,330)</b>

31-Dec

30-Dec

Notes: All amounts are in \$1,000s

There are no non-tax revenues anticipated in this scenario.



DEPARTMENT OF PUBLIC WORKS

(608) 827-1070  
FAX (608) 827-1080

Hand Delivered

February 18, 2002

Mayor Dan A. Ramsey  
City of Middleton  
7426 Hubbard Ave.  
Middleton, WI 53562

Re: TIF No. 3, City of Middleton, WI

Dear Mayor Ramsey:

The City of Middleton is proposing to amend Tax Increment Financing District No. 3 (TID #3). The purpose of the amendment is to update and refine the proposed improvements that are intended to eliminate blight, recruit industrial and manufacturing business, create jobs, diversify tax base and promote other economic development activities that would benefit not only TID #3 but also the City as a whole. 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 proposed amended tax increment district project plan will be considered.

The public hearing is scheduled for Tuesday, March 12, 2002 beginning on or about 7:00 p.m. Prior to the public hearing, the Joint Review Board is requested to meet at 6:30 p.m. 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 TIF district. We also encourage that representative to attend the Plan Commission public hearing immediately after to hear public input.

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

We will be contacting you to obtain the name and address of your representative as well as to confirm attendance at this meeting.

Sincerely,

CITY OF MIDDLETON

EILEEN M. KELLEY, AICP  
City Planner/Zoning Administrator

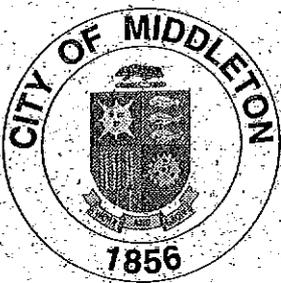
Enclosure: Public Hearing Notice  
Joint Review Board Agenda

Acknowledged

Date

  
Date Feb 19, 2002

CITY OF MIDDLETON  
7426 HUBBARD AVENUE  
MIDDLETON, WISCONSIN 53562



February 15, 2002

Bill Ries, Superintendent  
Middleton-Cross Plains School District  
7106 South Ave.  
Middleton, WI 53562.

Re: TIF No. 3, City of Middleton, WI

Dear Mr. Ries:

The City of Middleton is proposing to amend Tax Increment Financing District No. 3 (TID #3). The purpose of the amendment is to update and refine the proposed improvements that are intended to eliminate blight, recruit industrial and manufacturing business, create jobs, diversify tax base and promote other economic development activities that would benefit not only TID #3 but also the City as a whole. 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 proposed amended tax increment district project plan will be considered.

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Sincerely,

CITY OF MIDDLETON

Dan Ramsey  
Mayor

Enclosure: Public Hearing Notice  
Joint Review Board Agenda

MIDDLETON, WISCONSIN 53562  
7426 HUBBARD AVENUE  
CITY OF MIDDLETON

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Bill Ries, Superintendent  
Middleton-Cross Plains School  
7106 South Avenue Dist.  
Middleton, WI 53562

4a. Article Number

7099 3400 0007 8463 5474

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

2-19

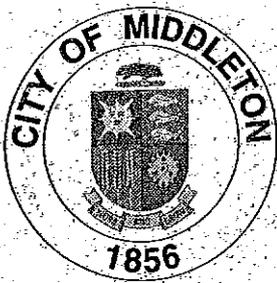
5. Received By: (Print Name)

Connie Bickler

6. Signature: (Addressee or Agent)

X Connie W. Bickler

8. Addressee's Address (Only if requested and fee is paid)



246-6100 Dr. Betty Barhorst

February 15, 2002

Dr. Beverly Simone  
Director, MATC  
~~310 Price Place~~  
Madison, WI 53704

3550 Anderson St.

Re: TIF No. 3, City of Middleton, WI

Dear Dr. Simone:

The City of Middleton is proposing to amend Tax Increment Financing District No. 3 (TID #3). The purpose of the amendment is to update and refine the proposed improvements that are intended to eliminate blight, recruit industrial and manufacturing business, create jobs, diversify tax base and promote other economic development activities that would benefit not only TID #3 but also the City as a whole. 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 proposed amended tax increment district project plan will be considered.

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

We will be contacting you to obtain the name and address of your representative as well as to confirm attendance at this meeting.

Sincerely,

CITY OF MIDDLETON

Dan Ramsey  
Mayor

Enclosure: Public Hearing Notice  
Joint Review Board Agenda

MIDDLETON, WISCONSIN 53562

7426 HUBBARD AVENUE

CITY OF MIDDLETON



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I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
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Consult postmaster for fee.

3. Article Addressed to:

Dr. Beverly Simone  
Director, MATC  
310 Price Place  
Madison, WI 53704

4a. Article Number

7099 3400 0007 8463 5467

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

2/19/02

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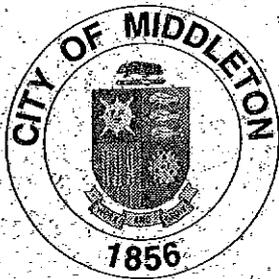
Peter Petersen

6. Signature: (Addressee or Agent)

X 

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using the United States Postal Service



February 15, 2002

Ms. Kathleen Falk  
Dane County Executive  
210 Martin Luther King Jr. Blvd.  
City County Building, Rm 421  
Madison, WI 53703

Re: TIF No. 3, City of Middleton, WI

Dear Ms. Falk:

The City of Middleton is proposing to amend Tax Increment Financing District No. 3 (TID #3). The purpose of the amendment is to update and refine the proposed improvements that are intended to eliminate blight, recruit industrial and manufacturing business, create jobs, diversify tax base and promote other economic development activities that would benefit not only TID #3 but also the City as a whole. 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 proposed amended tax increment district project plan will be considered.

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Sincerely,

CITY OF MIDDLETON

Dan Ramsey  
Mayor

Enclosure: Public Hearing Notice,  
Joint Review Board Agenda



CITY OF MIDDLETON  
7426 HUBBARD AVENUE  
MIDDLETON, WISCONSIN 53562

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3. Article Addressed to:

Ms. Kathleen Falk  
 Dane County Executive  
 210 Martin Luther King Jr. Blvd  
 City County Building, Rm 421  
 Madison, WI 53703

4a. Article Number

7099 3400 0007 8463 5450

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

2-19

5. Received By: (Print Name)

*Kathy Mizer*

6. Signature: (Addressee or Agent)

X *Kathy Mizer*

8. Addressee's Address (Only if requested and fee is paid)

# PUBLIC NOTICE

## CITY OF MIDDLETON

TO WHOM IT MAY CONCERN:

At a meeting of the City of Middleton Plan Commission to be held on or about 7:00 p.m., Tuesday, March 12, 2002, at City Hall, City of Middleton, a Public Hearing will be held on the proposed amended project plan for the City of Middleton Tax Increment District #3. The purpose of the amendment is to refine and update the project expenditures to the amount of \$67,914,000. Said project expenditures are refinements of original project costs or are additions to the project plan which are extensions of the original project costs.

A copy of the proposed project plan is available and will be provided upon request at the City Administrator's office at City Hall, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday.

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

EILEEN M. KELLEY  
City Planner/Zoning Administrator

Publish: 2-21-02  
2-28-02

### PUBLIC NOTICE CITY OF MIDDLETON

TO WHOM IT MAY CONCERN:

At a meeting of the City of Middleton Plan Commission to be held on or about 7:00 p.m., Tuesday, March 12, 2002, at City Hall, City of Middleton, a Public Hearing will be held on the proposed amended project plan for the City of Middleton Tax Increment District #3. The purpose of the amendment is to refine and update the project expenditures to the amount of \$67,914,000. Said project expenditures are refinements of original project costs or are additions to the project plan which are extensions of the original project costs.

A copy of the proposed project plan is available and will be provided upon request at the City Administrator's office at City Hall, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday.

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

EILEEN M. KELLEY

Publish: 2-21-02, 2-28-02

City Planner/Zoning Administrator

*Tabitha Danyls*

..... being duly sworn, doth depose and say that (she) is an authorized representative of the MIDDLETON TIMES-TRIBUNE, a weekly newspaper published at Middleton, in said County, and that an advertisement of which the annexed is a true copy, taken from said paper, was published therein on

..... 2-21-02 ..... 21.32  
+ 2-28-02 ..... 16.77

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CITY OF MIDDLETON**

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Publish: 2-21-02, 2-28-02  
EILEEN M. KELLEY  
City Planner/Zoning Administrator

(Signed) *Tabitha Danyls* ..... (Title)

Subscribed and sworn to before me this 22 day of March, 2002

*Jeanne King*  
Notary Public, Dane County, Wisconsin  
My Commission expires 6-2-2002  
No. Lines 2 No. Times 2 Notary Fees 50  
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(seal)

Filed.....  
PROOF OF PUBLICATION  
STATE OF WISCONSIN  
DANE COUNTY COURT

**City of Middleton  
TID No. 3, Amendment No. 3**

**Joint Review Board Meeting**

March 12, 2001

6:30 p.m.

Present: Jim Wexler, City representative  
Connie Threinen, County representative  
Brian E. Jorgensen, MATC representative  
Janet Kane, Middleton-Cross Plains School District representative  
Eileen Kelley, City Planner  
Susan Hoeft, Vandewalle & Associates  
Robin Wettstein, Vandewalle & Associates

1. Call to order at 6:35 p.m. by City representative Jim Wexler.
2. Election of Chairperson: Motion was made to elect the City representative as Chairperson. Threinen, Kane; Unanimous vote.
3. Fifth member-at-large: Motion was made to have Dorothy Shannon become the fifth member-at-large. Threinen, Wexler; Unanimous vote.
4. A brief presentation of City of Middleton, TID #3, Amendment #3 Project Plan was made by Vandewalle & Associates. Discussion ensued.
5. Date of the next meeting was set on April 16 at 6:00 p.m., City Hall.
6. Motion to adjourn at 6:57 p.m. Jorgenson, Kane; Unanimous vote.

**MINUTES**  
**MIDDLETON PLAN COMMISSION**  
**TUESDAY MARCH 12, 2002 7:00 P.M.**

**PRESENT:** Wexler, Elskamp, Sonnentag, Morehouse

**ABSENT:** Ramsey, White

**ALSO PRESENT:** Kelley

1. **PUBLIC HEARING – TIF DISTRICT #3, AMENDMENT #3**

Susan Hoefft, of Vandewalle & Associates, presented a history of TIF District #3 and a summary of the proposed Amendment #3.

Acting Chair Wexler opened the public hearing at 7:15 pm, and there being no public comment, immediately closed the public hearing.

Moved by Sonnentag, seconded by Morehouse, to approve, and recommend approval to the Common Council, Resolution 2002-9, Amending Tax Incremental Financing District #3 Project Plan. Motion carried 4-0.

At this point in the meeting, moved by Sonnentag, seconded by Morehouse, to temporarily suspend the Plan Commission meeting to allow the Community Development Authority to hold a public hearing. Motion carried 4-0.

2. **MINUTES OF 2-26-02**

Following resumption of the Plan Commission meeting, moved by Elskamp, seconded by Morehouse, to approve the minutes of 02-26-02. Motion carried 4-0.

3. **DESIGN REVIEW - FACADE RENOVATION – TDS-TELECOM, 1912 PARMENTER ST.**

Moved by Morehouse, seconded by Sonnentag, to approve the façade renovation as submitted. Motion carried 4-0.

4. **DESIGN REVIEW – STEKELBERG DECK, ELMWOOD AVE.**

Moved by Morehouse, seconded by Elskamp, to grant design approval to these proposed improvements as submitted. Motion carried 4-0.

5. **REZONING/DESIGN REVIEW – CENTURY PLACE PDD, NEEDHAM**

Following a brief discussion of the recent Public Works Committee and Water Resources Management Commission actions, moved by Sonnentag, seconded by Elskamp, to approve the rezoning to Planned Development District (PDD), and

**CITY OF MIDDLETON RESOLUTION NO. 2002-9**  
**Amending Tax Incremental Financing District No. 3**  
**Project Plan**

WHEREAS, the City Plan Commission held a public hearing on Tuesday, March 12, 2002, on the amendment to Tax Incremental Financing (TIF) District No. 3 and the proposed boundaries thereof; and

WHEREAS, the Chief Executive Officer of the Middleton School District, the Dane County Board and the Madison Area Technical College, representing entities having power to levy taxes on property located within the proposed TIF District, have been notified as well as any school board of any school district which includes property within the proposed district pursuant to Section 66.1105, Wis. Stats.; and

WHEREAS, the City of Middleton Plan Commission has prepared and adopted an amendment to the project plan for TIF District No. 3, which:

1. Includes Amended Section I. Introduction; and
2. Includes Amended Section V. Proposed Public Works and Estimated Costs; and
3. Amended Section VII: Economic Feasibility Analysis

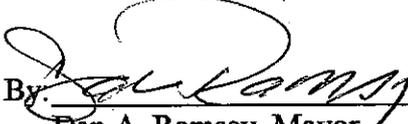
WHEREAS, the City Plan Commission has submitted such amended project plan to the Common Council of the City of Middleton.

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of Middleton hereby amends the project plan for TIF District No. 3, City of Middleton. That the improvements contemplated in TIF District No. 3, City of Middleton, will significantly enhance the value substantially of all real property in TIF District No. 3. That such amended project plan is feasible, and that it is in conformity with the City's Master Plan and other policies and laws of the City of Middleton.

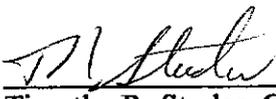
BE IT FURTHER RESOLVED that the Common Council approves such amended project plan for TIF District No. 3 pursuant to the provisions of Section 66.1105, Wis. Stats.

The above and foregoing Resolution is duly adopted by the Middleton Common Council at a regular meeting held on the 19 day of March, 2002.

APPROVED:

By:   
Dan A. Ramsey, Mayor

ATTEST:

  
Timothy R. Studer, City Clerk

VOTE:

Ayes: 8  
Noes: 0  
Adopted: 3/19/02

JOINT REVIEW BOARD  
TIF DISTRICT NO. 3, AMENDMENT NO. 3  
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:

Activities for TIF District No. 3, Amendment No. 3 are described and summarized in Amended Section V. Proposed Public Works and Estimated Costs. The total cost of all activities is estimated to be approximately \$67,914,000 which is to be paid with tax increments. An estimated total new development increment of \$272,984,000 is anticipated to be generated over the life of the district with the tax base loss figured into the total new increment amount.

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:

Allowing for a three (3%) percent real estate inflation factor, the total new increment value of the TIF District is estimated to be approximately \$648,053,000 when the district is terminated.

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

Response:

The costs associated in the TID #3 project plan are typical of public improvement costs associated with downtown redevelopment and

industrial/business-type development activities. The primary areas of public purpose improvement costs are in rehabilitating and eliminating blighted conditions due to uses that were no longer viable in a Downtown, realignment of the West Beltline and upgrading of USH 14 to minimize traffic and pedestrian circulation problems and provide safety improvements, streetscape, wayfinding, as well as redevelopment funding for new business and, especially, real estate development and redevelopment. Middleton has a history of redeveloping the downtown and is continuing this process with TID No. 3 and its subsequent amendments. TID No. 3 included obsolete commercial and industrial sites that are no longer viable from a manufacturing and economic standpoint. The two primary businesses have relocated and some structures already demolished creating a path for redevelopment. Redevelopment of the existing Middleton Ford Building will greatly enhance this area and eliminate the current blight which is visual and will also provide enormous redevelopment opportunities for housing and retail/commercial ventures. Tax increment financing has spurred on all economic development within this area.

There are customers, including residents, drawn into the entire TIF business district through the use of the new improvements. Spillover spending has and will continue to occur outside the district as a result of increased visitors to the district. Consequently, businesses and owners outside the TIF will also benefit from this improvement. These two issues are the major reasons why the TIF district should bear some of the cost while other sources of revenues should be used as a supplemental form of revenue.

A substantial reason why the property owners within the district should not bear the entire cost of the improvements is the benefits that the entire City will receive from the proposed improvements. Consequently, it would be unfair to the individual property owners to bear the financial burden of these improvements alone.

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 financial feasibility study for TIF District No. 3 indicates that the direct project costs listed in Table 1 associated with the district are anticipated be paid by tax increments generated within the district. The statutes require that the City provide the share of the projected tax increments that would be paid by the taxable property owners within TID #3.

If all development in the TIF would occur without the use of TID financing, the taxes from that development are assumed to gross approximately \$106,829,000 over the estimated 21 year retirement period of the district. If this were the case, the tax revenues would be divided as follows:

State of Wisconsin	1%	\$ 106,829
Dane County	16.4%	17,519,956
Middleton School District	46.3%	49,461,827
Madison Area Technical College	7.4%	7,905,346
City of Middleton	28.8%	30,766,752

(Discrepancies may occur due to rounding)

If the premise is that development would occur without the use of TIF, each of these taxing jurisdictions would receive their proportionate share of the taxes levied on the new development. However, if the premise is that the development would not occur as projected in the project plan without the use of TIF financing, the overlying taxing jurisdictions would not be receiving this estimated tax revenue over the 27 year period.

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 activities of TIF District No. 3 will benefit all property taxpayers who use the historic Downtown in Middleton and the area north of Greenway Center to USH 14. This area has greatly increased in tax base value due to the implementation of planning and economic development activities that the City has been undertaking since 1983. Continuation of these activities will further these redevelopment and new development projects and continue to create new jobs, housing opportunities, business opportunities and spin-off development will result as implementation of the TID and Redevelopment Plan proceeds. In addition, better business mix with new businesses locating in the redevelopment sites will help to stabilize and encourage new business in the Downtown. Current property owners will be encouraged to reinvest in their buildings which will economically benefit the region.

As stated above, as a result of these activities, more jobs will be created, a better business mix will result with more consumer spending and increased consumer traffic in the downtown. This, in turn, stabilizes and increases property values that will encourage investment and reinvestment in the remainder of the business district as well as the community. A more vital downtown will also assist in the orderly development of the community and surrounding area. These benefits all help to compensate the owners in the overlying taxing jurisdictions.

## JOINT REVIEW BOARD

### TIF DISTRICT NO. 3, AMENDMENT NO. 3

#### 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. 3 on the City of Middleton. The criteria are addressed in turn below.

- A. TIF District No. 3 is created for the purpose of stimulating new development and redevelopment within the district boundaries. At the present time, there has been significant development or redevelopment in the historic downtown. This is due to the implementation of planning and economic development activities by the City and consultants since 1983. With creation and amendments of this TID and implementation of the goals and objectives of these plans for the Downtown, the City has and will be able to more fully direct the development and redevelopment activities within this area for the optimum value to the City. This, in turn, can best be done with the use of TID financing and strict development controls.
- B. The economic benefits anticipated for TID #3 include the stabilization of the viability of existing properties as a result of high quality, new development and redevelopment within the district. The Downtown has developed unique and specialized commercial uses that draw not only Middleton residents but people from outside the district. Consequently, these uses have diversified the tax base, created jobs, eliminated blight, added to the tax base by redeveloping currently underutilized properties in a fashion that all City residents would benefit from. Completion of these project activities through TID No. 3, Amendment No. 3 will greatly enhance what already is in place and encourage maintenance and continued upgrading.

New jobs will be a direct result of reinvestment in the downtown and business district area. Improvement of business mix and numbers of businesses will also assist and be termed "economic benefits". However, the sum of all of these benefits will be far from sufficient in offsetting any costs associated with this type of project. Assessing businesses and building owners for the anticipated \$67,914,000 of costs (plus debt service) would totally cripple business and building owners as well as residents located within this district. These entities would not be able to carry the cash flow burden and still keep a viable business or real estate. It is necessary for the TIF district to help offset these costs and provide economic stimuli for redevelopment.

The project plan for TIF District No. 3 shows that projected taxable private improvements in the district during the life of the district, in combination with other sources of revenues, are sufficient to pay for the cost of the public improvements. Tables 4 and 5 of the project plan illustrate the flow of revenues and expenditures in the district. The tables demonstrate that sufficient tax are anticipated to be generated to amortize the cost of improvements by the year 2014.

The City will review the financial status of the TIF prior to expending any funds. Projects may be altered or postponed, dependent upon the availability of financing.

- C. Amendment of TID #3 will encourage the continued orderly growth of the downtown and west of the Beltline area by completing the construction of public infrastructure improvements relating to traffic circulation, streetscape, wayfinding and parking. In addition, redevelopment and new development funding will provide a source of funding that can assist in development activities through land assemblage, relocation, parking, financing options and similar redevelopment activities.

City residents as well as residents in the overlying taxing jurisdictions will all benefit from the improvements proposed to be completed within TID #3. All of the improvements will be available and/or used by all persons visiting businesses and public spaces within the TIF district and abutting properties. Increased use of the downtown will also benefit not only the City but the overlying taxing jurisdictions with increased spending, needs for hospitality and other retail services which will, in turn, create jobs for regional residents to capture. Increased revenues, in addition to taxes, will contribute to sound economic growth in the region and will benefit the entire region. It is the City's position that all of these benefits outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing jurisdictions.

RESOLUTION APPROVING CITY COUNCIL RESOLUTIONS  
AMENDING TIF DISTRICT NO. 3  
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 project plan for TIF District No. 3, Amendment No. 3, City of Middleton, Wisconsin; and

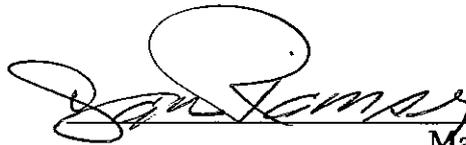
WHEREAS, the Joint Review Board, Tax Incremental District No. 3, Amendment No. 3, City of Middleton, Wisconsin has received in an open meeting additional information from the City of Middleton staff regarding the project plan for Tax Incremental District No. 3, Amendment No. 3, City of Middleton, Wisconsin.

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 16<sup>th</sup> day of April, 2002.

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



Mayor Dan Ramsey, Chair

**City of Middleton  
TID No. 3, Amendment No. 3**

**Joint Review Board Meeting**

April 16, 2002

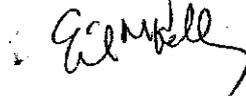
6:00 p.m.

Mayor Dan Ramsey, City Representative  
Connie Threinen, County Representative  
Brian E. Jorgensen, MATC Representative  
Dorothy Shannon, Member-at-large  
Eileen Kelley, City Planner  
Connie White, Middleton Plan Commission

Absent: Janet Kane, Middleton-Cross Plains School District Representative

1. City representative Dan Ramsey called the meeting to order at 6:05 p.m.
2. The Joint Review Board members discussed the amendment no. 3 project plan information and projections, as well as the decision criteria. The review board members wanted to make sure that the wording was correct, and city staff will check with Vandewalle & Associates.
3. Moved by Brian Jorgensen, seconded by Connie Threinen, to approve the Resolution approving the Common Council Resolution amending the TIF District No. 3 Project Plan, and findings as specified in the resolution. Motion carried 4-0.
4. The meeting adjourned at 6:45 p.m.

EILEEN KELLEY



# Murphy & Desmond s.c.

LAWYERS

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Facsimile (608) 257-4333  
lheckler@murphydesmond.com

26 April 2002

Hon. Dan A. Ramsey  
Mayor, City of Middleton  
7426 Hubbard Avenue  
Middleton, WI 53562

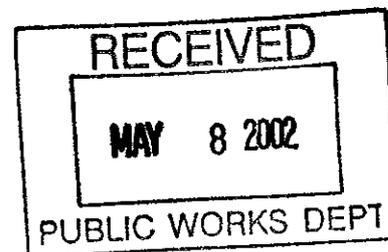
Re: City of Middleton Tax Increment District No. 3  
Project Plan Amendment No. 3

Dear Mayor Ramsey:

As requested, we have acted as counsel to the City of Middleton, a Wisconsin municipal corporation, in connection with the adoption of Amendment No. 3 to the Middleton Tax Increment District No. 3, a Wisconsin Tax Increment District created in 1991 pursuant to Wis. Stats. 1991 § 66.46.

In our capacity as counsel to the City of Middleton, we have examined originals (or copies identified to our satisfaction as identical to the originals) of the following documents:

1. Amendment No. 3 to Project Plan for Tax Increment District No. 3, as dated March 19, 2002;
2. Notice of Public Hearing relating to adoption of the said Amendment No. 3;
3. Minutes of Middleton Plan Commission dated March 12, 2002 related to said public hearing;
4. Resolution No. 2002-9 of the Middleton Common Council relating to approval of the said Amendment No. 3;
5. Notices to Chief Executive Officers or administrators of all local governmental entities having power to levy taxes on property within the said Tax Increment District No. 3;
6. Minutes of meetings of Joint Review Board relating to the said Amendment No. 3;





Hon. Dan A. Ramsey  
26 April 2002  
Page 2

7. Decision of Joint Review Board on the said Amendment No. 3 dated April 16, 2002.

Based upon the foregoing, and pursuant to Wis. Stats. 1990-2000 § 66.1105(4)(f), it is our opinion that the Project Plan for Tax Increment District No. 3, as revised by Amendment No. 3 to said Project Plan, is complete and complies with Wis. Stats. 1999-2000 § 66.1105(4)(f).

We render no opinion with regard to accuracy, validity or sufficiency of any statements and/or findings contained in the said Amendment No. 3, since these were prepared by City staff and consultants rather than by our office.

Very truly yours,

Lawrence E. Bechler

LEB:kka  
200738  
Ramsey ltr