



OFFICIAL NOTICE AND AGENDA
Kronenwetter Joint Review Board (JRB)
Public Meeting

Kronenwetter Municipal Center
Board/Court Room (Lower Level)
1582 Kronenwetter Drive, Kronenwetter WI 54455
Wednesday, May 29, 2019 – 8:00 AM

TID #2 & TID #3 JRB Public Meeting

Members: Brent Zimmerman, Business Manager (Mosinee School District); Roxanne Lutgen, Vice President of Finance and General Counsel (Northcentral Technical College); Kristi Palmer, Finance Director (Marathon County); Chris Voll, President (Village); Terry Radtke (Public Member)

1. **Call meeting to order:**
 - a. Roll Call
2. **Public Comment** - *(Please be advised per State Statute Section 19.84(2), information will be received from the public. It is the policy of this Village that Public Comment will take no longer than 15 minutes with a **three** minute time period, per person, with time extension per the Chief Presiding Officer's discretion. Be further advised that there may be limited discussion on the information received, however, no action will be taken under public comments)*
3. **Presentation and Discussion:** Introduction and discussion on the proposed project plan amendment to TID No. 2
4. **Presentation and Discussion:** Introduction and discussion on the proposed project plan amendment to TID No. 3
5. **Next Meeting Date**
6. **Adjournment**

Randy Fifrick, Community Development Director
Posted: 5/24/2019

Project Plan Amendment No. 3

Tax Increment District No. 2

Village of Kronenwetter, WI

Prepared For:



Village of Kronenwetter
1582 Kronenwetter Drive
Kronenwetter, WI 54455

Prepared By:
Vierbicher
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Madison, WI 53717
(608) 826-0532

Original Plan Approval
November 3, 2004

Village Board Project Plan
Amendment Approval
_____, 2019

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planners | engineers | advisors



Acknowledgments

Village Board

Chris Voll, Board President
Christopher Eiden
Jason Holmes
Dan Lesniak
Ken Charneski
Cheryl Schulz
Kevin Gorski

Redevelopment Authority

Chris Voll
Christopher Eiden
Jordyn Wadle
Terry Radtke
Jerry Wirth
Lori Laporte
Lane Loveland

Village Staff

Randy Fifrick, Community Development Director
Emily Ley, Village Treasurer
Cindra Falkowski, Village Clerk
Emily Wheaton, Planning Technician

Joint Review Board

Milestones

Tax Increment District No. 2 Created: October 18, 2004
Amendment No. 1 Adopted: August 30, 2005
Amendment No. 2 Adopted: February 23, 2016

Public Hearing

Plan Commission Approval Recommendation

Village Board Approval

Joint Review Board Approval

Vierbicher Associates, Inc.

Daniel J Lindstrom, Project Manager
Rachel Holloway, Project Planner
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TABLE OF CONTENTS

Description	Page #
I. Process and Timeline	1
II. Introduction to TID No. 2	1
III. Statement of Purpose and Summary of Finding	2
IV. Statement of Kind, Number, and Location of Public Works & Other Projects	2
V. Detailed List of Project Costs	5
VI. Non-Project Costs & Ineligible Costs	6
VII. Economic Feasibility, Timetable, and Financing	6
VIII. Equalized Value Test	9
IX. Statement of Impact to Overlying Taxing Jurisdictions	9
X. Statement of Proposed Changes to Municipal Maps, Plans, and Ordinances	9
XI. Relocation	9
XII. Statement Indicating How Creation of the TID Promotes the Orderly Development of the Village of Kronenwetter	9
XIII. District Boundaries	10
XIV. Findings	10
XV. TID No. 2 District Boundary and Description	10
Appendix A: Maps	11
Map 1: Boundary, Parcels, & Orthographic	11
Map 2: Half-Mile Radius and Project Plan	
Appendix B: Resolutions, Notices, Minutes, and Other Attachments	11
Appendix B: Resolutions, Notices, Minutes, and Other Attachments	12

Appendix B: Resolutions, Notices, Minutes, & Other Attachments

- #1: Opinion Letter from Village Attorney Regarding Compliance with Statutes
- #2: Letter to Chief Official of Overlying Taxing Entities and Notice
- #3: JRB Meeting Notices - Affidavit of Publication
- #4: JRB No. 1 Meeting Agenda and Minutes
- #5: JRB No. 2 Meeting Agenda and Minutes
- #6: JRB Resolution Approving TID No. 2 Amendment No. 3
- #7: Public Hearing Notice - Affidavit of Publication
- #8: RDA Meeting Agendas
- #9: Public Hearing and Meeting Minutes
- #10: RDA Resolution Approving TID No. 2 Amendment No. 3
- #11: Village Board Meeting Agenda
- #12: Village Board Resolution Approving TID No. 2 Amendment No. 3
- #13: Village Board Meeting Minutes

I. Process and Timeline

Notice of the Public Hearing was mailed to the overlying taxing jurisdictions members on May 6, 2019. A Joint Review Board notice was also published on May 24, 2019. The initial Joint Review Board meeting was held on May 29, 2019. The RDA hosted a public hearing on the amendment on June 11, 2019, and after the public hearing, the RDA approved the TID No. 2 Amendment No. 3 and recommended it to the Kronenwetter Village Board for adoption. Public Hearing notice was published on _____, 2019. The TID No. 2 Amendment No. 3 was adopted by resolution of the Kronenwetter Village Board on _____, 2019.

The TID No. 2 Amendment No. 3 was reviewed and _____ by a Joint Review Board as required by Wisconsin Statutes. A notice for the final meeting of the Joint Review Board was published on _____, 2019. The final meeting of the Joint Review Board was held on _____, 2019 where the Joint Review Board _____ the TID No. 2 Amendment No. 3.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the Project Plan and Boundary will be submitted to the Wisconsin Department of Revenue and used as the basis for the TID No. 2 Amendment No. 3 in the Village of Kronenwetter.

II. Introduction to TID No. 2 Amendment No. 3

This is Project Plan Amendment No. 3 to Tax Increment District (TID) No. 2 in the Village of Kronenwetter.

The Village of Kronenwetter created TID No. 2 on October 18, 2004 to promote the development on the southwest side of the community. The TID was created in an effort to expand the employment base along Interstate 39, the major north/south transportation corridor into Marathon County.

The Village understood that employment generators and positive construction increment would not occur if the proper infrastructure was not in place to attract and support the desired development. Therefore, the Village charged the RDA and Village staff with the responsibility of ensuring infrastructure projects would only start and support developments of private investment when projects were justifiably imminent.

At the time, TID No. 2 contained five parcels totaling \$1,060,515 in assessed value and 125.25 acres. The initial plan called for 65% of the lands to be used for industrial and commercial uses and 35% to be used for residential purposes. The plan estimated \$30,000,000 of commercial and office development value and \$18,000,000 of residential development value at the closure of the TID in 2024.

Within the same TID calendar year (2005), TID No. 2 was amended and expanded to include three additional parcels on the north side of Maple Ridge Road. These parcel added \$1,319,145 to the base value; however, the Department of Revenue (DOR) certified the initial base value at \$2,851,400. The amendment changed the proposed land use make up to 67% commercial mixed use and 33% residential. The amendment also included a proposed land use map that directly influenced and shaped the infrastructure and development pattern the Village experiences today.



In 2016, TID No. 2 was amended to add territory (33 additional parcels along Interstate 39), add the ½-mile radius for allowable expenditures, and add additional eligible projects to the Project Plan.

The remainder of this plan will call out the required elements for the TID plan amendment. As stated in the Village Board resolution approving this plan (see attachments), this plan conforms to the Comprehensive Plan of the Village of Kronenwetter.

Redevelopment Plans

New development throughout the TID area is expected to be mixed use in nature with a focus on completing the development around existing commercial and residential infrastructure. Therefore the TID is in compliance with section 66.1105(2)(cm) of the Wisconsin State Statutes. The Village also wishes to use the existing success of the TID to complete the following:

- Reconstruction, resurfacing, and connections for roads in and up to a half-mile of the TID boundary;
- Infrastructure upgrades and expansions to sewer and water utilities;
- Park and trail improvements to service the district;
- Signage and branding for the Village and district;
- Developer incentives; and
- Additional land purchases, demolition, and relocation costs.

The Village of Kronenwetter is amended TID No. 2 twice before to allow infrastructure improvements beyond what was initially included in the original TID No. 2 Project Plan. This amendment allows for the construction of a new bridge crossing on Maple Ridge Road, just east of and within a half-mile of the TID boundary. Sections two and three detail these proposed project costs.

III. Statement of Purpose and Summary of Finding

The purpose of TID No. 2 will not change as a result of this amendment; however, some of the revenue from TID No. 2 will be able to be allocated to projects in TID No. 4.

As authorized in Wisconsin Statutes Chapter 66.1105, the amendment of TID No. 2 continues to promote orderly development within the Village by promoting the availability of lands suitable for mixed use development. Additionally, this will be accomplished by making additional infrastructure improvements, providing cash grants to owners and developers of land within the District, and making other enhancements within the District and the one-half mile radius of the District boundary.

IV. Statement of Kind, Number, and Location of Public Works & Other Projects

TID No. 2 was created as a tool to assist the Village with promotion of development along the southwestern municipal boundary. The Village Board is not mandated to make expenditures described in this amendment; however, they are limited to implementing only projects identified in the original Plan and subsequent amendments. Table 2 identifies the original TID estimated project costs. Project costs include the following:



A. Capital Improvement Costs

Costs include, but are not limited to, the actual costs of the construction of public works or improvements, new buildings, structures, and fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures and fixtures other than the demolition of listed historic properties; and the acquisition of equipment to service the district.

The Village plans to amend the Project Cost as follows:

1. ~~TID No. 2 Park - \$200,000 (removed)~~
2. Non- motorized vehicular path and bridge from Maple Ridge Road to Pinedale Lane adjacent to Kronenwetter Drive - ~~\$940,000~~ \$700,000
3. Municipal Center park trail network - \$150,000 Completed (2017)
4. Non-motorized Pedestrian Path from Maple Ridge Road to Nelson Road - \$263,000
5. Village entrance/interstate signage/branding/wayfinding - \$50,000

B. Infrastructure

Infrastructure projects include the portion of costs related to the construction or alteration of storm or sanitary sewer lines, stormwater management facilities, water systems, utility service systems (electric, gas, communication, etc.), street amenities, bridge enhancements, or the rebuilding, alteration, or expansion of streets as necessitated by the Project Plan for areas within the geographic boundaries of the district. Infrastructure can also be installed outside the District if required to carry out Project Plans, but only the portion which directly benefits the District is an eligible cost. Infrastructure costs are typically associated with costs of improvements located within the right-of-way.

The first two project plans identified \$4,018,906 in infrastructure costs, and amendment No. 2 added an additional \$2,040,000 in costs. The Village anticipates shifting the Village TID project share for the following infrastructure costs under this amendment:

1. ~~New water well \$600,000 total project costs. Village portion is \$150,000.~~
2. Reconstruction of Old Hwy 51 from Park and Ride to Nelson Road (approximately 5,600 linear feet) - ~~\$650,000~~ \$132,3000 (2019)
3. Reconstruction and connection of Village Road, Jamroz Road, and Flanner Road (approximately 1,900 linear feet) - \$232,000
4. Resurfacing of Timber Creek Crossing roads (approximately 2,600 linear feet) - \$180,000 (completed 2017)
5. Reconstruction of Beranek Road (approximately 1,800 linear feet) - \$828,000 (includes sewer and water)

Amendment No. 3

6. Reconstruction of bridge crossing on Maple Ridge Road at Bull Junior Creek - \$500,000

C. Site Development Costs

Site development activities required to make sites suitable for development include, but are not limited to, environmental studies and remediation, stripping topsoil, grading, compacted granular fill, topsoil replacement, access drives, parking areas, landscaping, storm water detention areas, demolition of existing



structures, relocating utility lines and other infrastructure, utilities, signs, fencing, and related activities.

The Village proposed to reduce the budget from \$500,000 to \$100,000 for on-site development costs for wetland delineation/alteration services, site preparation, and site demolition under amendment No. 3.

D. Land Acquisition & Assembly

This may include but is not limited to fee title, easements, appraisals, environmental evaluations, consultant and broker fees, closing costs, surveying and mapping, lease and/or the sale of property at below market price to encourage or make feasible an economic development project. This could also include the cost to relocate existing businesses or residents to allow redevelopment.

No change to this section under this amendment.

E. Development Incentives

The Village may use TID No. 2 funds to provide incentives to developers and businesses to promote and stimulate new development. The Village may enter into agreements with property owners, businesses, developers or non-profit organizations for the purpose of sharing costs to encourage the desired kinds of improvements. In such cases, the Village will execute development agreements with the developers and/or businesses, which will identify the type and amount of assistance to be provided.

The Village may provide funds either directly or through an organization authorized by Wisconsin Statutes (such as a Redevelopment Authority, Public Housing Authority, development organizations or other appropriate organizations) for the purpose of making capital available to businesses and or developers to stimulate or enable economic development and housing development projects within TID No. 2. Funds may be provided in the form of a cash grant, forgivable loan, direct loan, loan guarantee, or "Pay-as-You-Go" (PAY-GO) note. Such funds may be provided at terms appropriate to, and as demonstrated to be required by, the proposed economic development and or housing project and shall be set forth in a development agreement.

No change to this section under this amendment.

F. Professional Services

Professional services include, but are not limited to, those costs incurred for architectural, planning, engineering, and legal advice related to implementing the Project Plan, negotiating with property owners and developers, and planning for the redevelopment of the area.

No change to this section under this amendment.

G. Discretionary Payments

This includes payments made at the discretion of the local legislative body, which are found to be necessary or convenient to the creation of tax incremental districts or the implementation of project plans. This could include expenditures to fund programs to eliminate blight, improve housing stock, remove social



obstacles to development, provide labor force training, day care services, or neighborhood improvements to improve the quality of life or safety of the residents, workers, or visitors and, marketing of properties within the district, and other payments which are necessary or convenient to the implementation of this Project Plan.

No change to this section under this amendment.

H. Administration Costs

Administrative costs include, but are not limited to, a reasonable portion of the salaries of the Village Administrator, Building Inspector, Attorney, Finance Director, Auditor, Assessor, Public Works employees, Village Engineer, consultants and others directly involved with planning and administering the projects and overall District. They also include any annual payments required to be paid to the Wisconsin Department of Revenue (DOR) by state law.

No change to this section under this amendment.

I. TID Organizational Costs

Organization costs include, but are not limited to, the fees of the financial consultant, attorney, engineers, planners, community development consultants, surveyors, map makers, environmental consultants, appraisers and other contracted services related to the planning and creation or amendment of the TID. This shall include the preparation of feasibility studies, project plans, engineering to determine project costs and prepare plans, maps, legal services, environmental investigations, grant applications, regulatory approvals and other payments made which are necessary or convenient to the creation of this tax incremental district. Also included as an eligible administrative cost is the \$1,000 Certification Fee charged by the Wisconsin Department of Revenue Certification fee.

No change to this section under this amendment.

J. Financing Costs

This includes, but is not limited to, all interest paid to holders of evidences of indebtedness issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations prior to maturity. The Village did not specifically plan for financing costs, but included the cost with organizational costs and professional legal service fees in the original TID Project Plan. The Village budgeted \$1,750,000 for financing costs under amendment No. 2.

No change to this section under this amendment.

V. Detailed List of Project Costs

Figure 1 describes the detailed project costs for project categories anticipated to be implemented during the remaining expenditure period of the District. This format follows Department of Revenue guidelines on detailed project costs, which state, "This list should show estimated expenditures expected for each major category of public improvements." The Project Plan costs summarized below were based on the estimated costs at the time of District creation. The Village reserves the right to revise these cost estimates to reflect changes in project scope, inflation, and other unforeseen circumstances over the remaining life of the District. The Village could pursue grant



programs to share project costs included in this Project Plan as appropriate. Planned project costs are listed in the table below.

The Village may fund specific project cost items in Figure 1 in significantly greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes and goals of the TID. The Village will use the overall benefit to the Village and economic feasibility (i.e., the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID expenditure period. The TID No.2 Project Plan includes a potential transfer of surplus funds to TID No. 4 for TID eligible expenses included in the TID No. 4 Project Plan.

Figure 1

Planned Project Costs Summary				
Village of Kronenwetter				
TID No. 2 Amendment No. 3				
Category	Project Plan Costs	Amendment No. 3	Other's Share	TID Share
A. Capital Costs	\$1,603,000	\$0	\$0	\$1,603,000
B. Infrastructure	\$4,267,906	\$60,000	\$450,000	\$3,877,906
C. Site Development Costs	\$520,000	(\$400,000)	\$0	\$120,000
D. Land Acquisition & Assembly	\$900,000	\$0	\$0	\$900,000
E. Development Incentives	\$900,000	\$0	\$0	\$900,000
F. Professional Services	\$332,610	\$0	\$0	\$332,610
G. Discretionary Payments	\$100,000	\$0	\$0	\$100,000
H. Administration Costs	\$180,000	\$0	\$0	\$180,000
I. Organizational Costs	\$28,000	\$0	\$0	\$28,000
J. Inflation	\$408,124	\$0	\$0	\$408,124
Subtotal	\$9,239,640	(\$340,000)	\$450,000	\$8,449,640
K. Financing Costs (less Capitalized Interest)		\$0		\$1,750,000
Capitalized Interest				\$0
Total TID Expenditure				\$10,199,640

Balance from changes and additions to the proposed projects.

The aforementioned infrastructure and capital costs are for projects within a half-mile of the TID boundary, but directly serve the TID. The TID will cover most of the project cost, but several other utilities will also participate in infrastructure upgrades. These are considered "Others'; Share" or "non-project" costs and can be identified in Figure 1.

VI. Non-Project Costs & Ineligible Costs

There is no change to this section.

VII. Economic Feasibility, Timetable, and Financing

Economic Feasibility and Time Table:

Under Wisconsin's Tax Incremental Financing Law, the property taxes paid each year on the increase in equalized value of the Tax Incremental Financing District may be used by the Village to pay for allowable project costs. The increase in value is determined by taking the District's yearly equalized assessed value and deducting the value in the District that existed when it was initially created (the base value). All taxes levied upon this incremental (or increased) value by the Village, local school district, Marathon County, and the technical college are allocated to the Village for direct payment of project costs or the payment of debt service on bonds used to finance project costs. State property taxes on the increment value must still be paid to the state. All project

expenditures must be made within fifteen years of the creation of an mixed use Tax Incremental Financing District, and tax increments may be received until project costs are recovered for no longer than twenty years. A three-year extension is possible if successfully approved.

The following factors were considered in evaluating the economic feasibility of TID No. 2.

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

The maximum life of the District is twenty years; a three-year extension may be requested. The Village has a maximum of fifteen years, until 2019, to incur TIF expenses for the projects outlined in this plan. The Village is not mandated to make the improvements defined in this plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints at the time a project is scheduled for consideration. The actual implementation of the projects may be accelerated or deferred, depending on conditions existing at the time.

Additionally, current state statutes allow a municipality to collect revenue from a TID that is about to close for one additional year to benefit affordable housing and improve the housing stock.

Financing:

Under Wisconsin law, there are varieties of methods that a municipality could use to fund projects. Several methods influence the municipal borrowing limits while others do not. The Village could most likely utilize a combination of pay-as-you-go funding and borrowing to implement projects in TID No. 2 provided any debt could be paid off prior to the target closure date. State law limits the general obligations of the Village to five percent of the equalized property value.

Cash Flow:

There are sufficient TID revenues over the life of the District to pay for all costs. The Tax Increment Cash Flow shown below summarizes the assumed cash flow. The numbers presented in Figure 2 are estimates and are subject to change based upon the actual development and construction activity.

Figure 2



Tax Increment Cash Flow

Village of Kronenwetter

TID No. 2 Amendment No. 3

Year	Beginning Balance	Revenues					Expenses					Annual Surplus (Deficit)	Balance After Surplus to Principal			
		Capital Interest & Debt Reserve	Tax Increment Revenue	Interest Income	Other Revenues	Land Sales	Loan Proceeds	Total Revenue	Interloan Fund	Future Costs	Other Expenses			Existing Debt Service Payments	Bond Issue Cost	Total Expenses
2004		0	0	0	0	0	0	0				0	0	0	0	
2005	0	0	0	0	0	0	0	0				0	0	0	0	0
2006	1,672,016	0	0	52,768	0	0	1,739,958	1,792,726			1,696,945	163,291	12,718	1,872,953	1,872,953	1,591,789
2007	1,591,789	0	54,491	24,858	0	0	4,270,000	4,349,349			827,170	4,634,239	37,620	5,499,029	5,499,029	(1,149,680)
2008	442,109	0	45,314	5,288	583	0	1,800,000	1,851,185			128,013	2,132,643	13,000	2,273,656	2,273,656	19,638
2009	19,638	0	170,240	11,526	6,794	0	6,295,000	6,483,560			635,772	5,653,424	58,595	6,347,790	6,347,790	155,408
2010	155,408	0	244,394	560	20,909	0	1,150,000	1,415,863			141,144	1,550,588	11,016	1,702,748	1,702,748	(131,477)
2011	(131,477)	0	312,655	1,436	8,923	0	250,000	573,014			443,361	1,034,660	1,501	1,479,523	1,479,523	(906,509)
2012	(1,037,987)	0	347,727	2,500	196,622	0	6,198,640	6,745,490			323,233	5,651,992	89,719	6,064,944	6,064,944	680,546
2013	(357,441)	0	333,003	2,165	217,312	0	1,088,131	1,640,611			37,919	1,290,532	20,231	1,348,683	1,348,683	291,928
2014	(65,513)	0	430,768	6,225	5,358,000	0	255,000	6,049,993			48,340	535,793	2,512	586,645	586,645	5,463,348
2015	5,397,835	0	415,558	8,546	89,539	82,331	0	595,974			925,424	4,118,359	0	5,043,784	5,043,784	950,025
2016	950,025	0	455,030	8,246	95,843	150,800	0	709,919			87,768	449,428	0	537,216	1,122,728	172,703
2017	1,122,728	0	394,084	8,042	70,248	453,644	0	926,018			89,272	191,400	0	280,671	1,768,075	645,347
2018	1,768,075	0	435,327	29,756	41,812	27,000	0	533,895	717,883	808,872	117,412	188,925	0	306,336	1,995,634	227,559
2019	1,995,634	0	523,316	9,978	45,000	0	0	578,294			72,455	186,175	0	1,785,385	788,542	(1,207,091)
2020	788,542	0	524,624	3,943	762,883	100,000	0	1,391,450		700,000	19,000	183,287	0	902,287	1,277,705	489,163
2021	1,277,705	0	655,157	6,389	40,000	50,000	0	751,546			14,250	180,125	0	194,375	1,834,875	557,171
2022	1,834,875	0	736,141	9,174	1,084,563	50,000	0	1,879,878		1,419,644	14,500	2,532,237	0	3,966,381	(2,086,503)	(251,627)
2023	(251,627)	0	781,000	(1,258)	0	0	0	779,742		806,000	15,000	0	0	821,000	(41,258)	(292,885)
2024	(292,885)	0	782,953	(1,464)	0	0	0	781,488		238,563	5,000	0	0	243,563	537,925	245,041
2025	245,041	0	0	0	0	0	0	0	717,883	3,973,079	5,641,998	30,677,087	246,912	41,256,969		
Total	0	0	7,641,782	188,677	8,039,031	913,775	23,046,729	39,829,994	717,883	3,973,079	5,641,998	30,677,087	246,912	41,256,969		

Other Expenses Include: Site Development Costs, Professional Services, Discretionary Spending, Administration Costs, and Organizational Costs.

0.50% = Assumed Investment Rate For Interest Income

Old Highway 51 Bike/Ped Path, Timber Creek Industrial Site Preparation, Resurfacing of Old Hwy 51 (21% total), Kronenwetter Drive Path, Bull Jr. Bridge Construction

Interfund - Repaid in 2020

General Fund Advance (Paid back 2023 and 2024)

TID No. 4 Donation

Increase in Property Value

For the purposes of projecting assessed values for the remainder of the district's life, the Project Plan used a 0.0% property appreciation rate per year. This estimate is below the recent national, state, and reported local average. Using a net-zero annual inflation rate for property assessment values will provide a conservative estimate. These assumptions remain unchanged for Amendment No. 3.

Effective Tax Rate

The effective tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. For the purposes of projecting the mill rate for the remainder of the district's life, the Project Plan used the project mill rate from the Village of 0.016. For the purpose of a conservative estimate, the tax rate increase by approximately 0.25% annually.

VIII. Equalized Value Test

There is no change to this section.

IX. Statement of Impact to Overlying Taxing Jurisdictions

There is no change to this section.

X. Statement of Proposed Changes to Municipal Maps, Plans, and Ordinances

This Plan does not propose changes in the Comprehensive Plan, Official Map, Village Ordinances, or Building Codes. The Project Plan presented here complies with the Village's adopted Comprehensive Plan. Modifications or Amendments to the Village's Zoning Code, Comprehensive Plan or Future Land Use Map, and other Village ordinances may be necessary in the future if deemed appropriate for industrial, commercial, or residential development. Development proposals must follow the appropriate procedure to receive the proper zoning in changes are warranted by a given project.

XI. Relocation

Generally, relocation occurs where a person or business is displaced from real property as a direct result of eminent domain proceedings commenced by the Village against the subject property. No relocation is anticipated to be needed for the implementation of the Project Plan. However, should it become necessary, the Village will provide relocation benefits and assistance to the extent necessary as required by Wisconsin Statutes Chapter 32. Relocation services will be provided by the RDA with funds provided through TIF and other sources.

XII. Statement Indicating How Creation of the TID Promotes the Orderly Development of the Village of Kronenwetter

The analysis of Village ordinances and plans identified no amendments that will be needed. Development in TID No. 2 will reflect orderly and consistent growth. The proposed land uses are compatible with the existing land uses and the Comprehensive



Plan map of Future Land Use. Adequate utility system and community service capacity exist to serve the anticipated new development.

XIII. District Boundaries

There is no change to the district boundary.

XIV. Findings

The proposed TID No. 2 was established in compliance with State Statutes.

- The District remains a mixed use Tax Increment District.
- The improvement of TID No. 2 will enhance significantly the value of all other real property in the District.
- Project costs directly serve to promote mixed use development within TID No. 2.
- The District remains contiguous.

XV. TID No. 2 District Boundary and Description

No change to this section



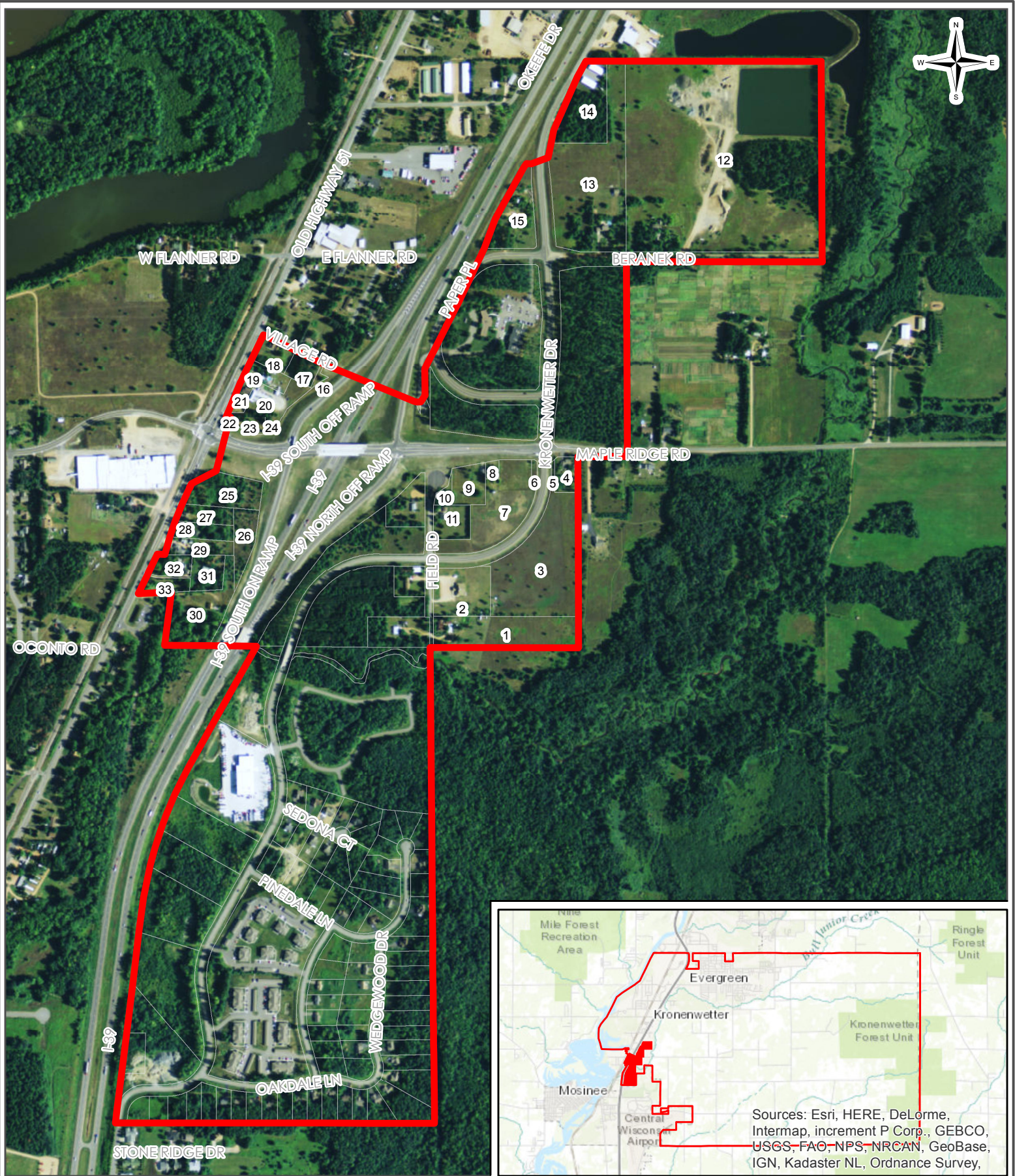
Appendix A: Maps

Map 1: Boundary, Parcels, & Orthographic

Map 5: Proposed Improvements and ½ Mile Radius

DRAFT FOR REVIEW





Map 1 - Boundary, Parcels, & Orthographic Village of Kronenwetter

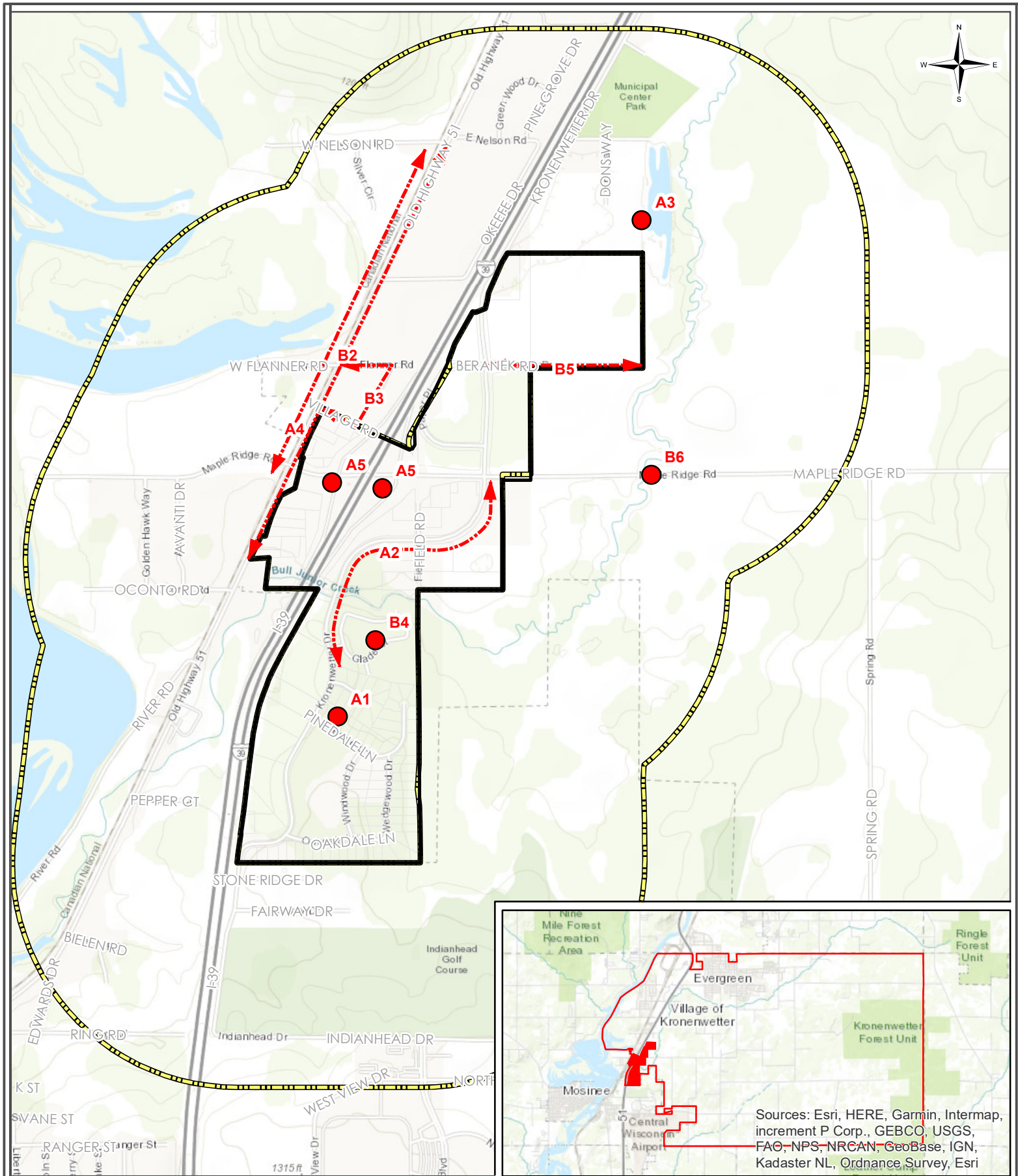
0 375 750 1,500
 Feet

Proposed TID Boundaries
 TID Parcels

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Map 5 - Proposed Improvements and 1/2 Mile Radius Village of Kronenwetter

0 0.125 0.25 0.5 Miles

Proposed TID Boundaries
Lands within 1/2 Mile of TID 2
Improvements Prelim Location

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Project Plan Amendment No. 1

Tax Increment District No. 3

Village of Kronenwetter, WI

Prepared For:



Village of Kronenwetter
1582 Kronenwetter Drive
Kronenwetter, WI 54455

Prepared By:
Vierbicher
999 Fourier Drive, Suite 201
Madison, WI 53717
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Original Plan Approval
November 3, 2004

Village Board Project Plan
Amendment Approval
_____, 2019

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Acknowledgments

Village Board

Chris Voll, Board President
Christopher Eiden
Jason Holmes
Dan Lesniak
Ken Charneski
Cheryl Schulz
Kevin Gorski

Redevelopment Authority

Chris Voll
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Terry Radtke
Jerry Wirth
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Village Staff

Randy Fifrick, Community Development Director
Emily Ley, Village Treasurer
Cindra Falkowski, Village Clerk
Emily Wheaton, Planning Technician

Joint Review Board

Milestones

Public Hearing

Plan Commission Approval Recommendation

Village Board Approval

Joint Review Board Approval

Vierbicher Associates, Inc.

Daniel J Lindstrom, Project Manager
Rachel Holloway, Project Planner
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TABLE OF CONTENTS

Description	Page #
I. Process and Timeline	1
II. Introduction to TID No. 3 Amendment No. 1	1
III. Statement of Purpose and Summary of Finding	1
IV. Statement of Kind, Number, and Location of Public Works & Other Projects	2
V. Detailed List of Project Costs	2
VI. Non-Project Costs & Ineligible Costs	3
VII. Economic Feasibility, Timetable, and Financing	3
VIII. Equalized Value Test	5
IX. Statement of Impact to Overlying Taxing Jurisdictions	6
X. Statement of Proposed Changes to Municipal Maps, Plans, and Ordinances	6
XI. Relocation	6
XII. Statement Indicating How Creation of the TID Promotes the Orderly Development of the Village of Kronenwetter	6
XIII. District Boundaries	6
XIV. Findings	6
XV. TID No. 3 District Boundary and Description	7
Appendix A: Maps	8
Map 1: Boundary, Parcels, & Orthographic	8
Map 2: Half-Mile Radius and Project Plan	
Appendix B: Resolutions, Notices, Minutes, and Other Attachments	8
Appendix B: Resolutions, Notices, Minutes, and Other Attachments	9

Appendix B: Resolutions, Notices, Minutes, & Other Attachments

- #1: Opinion Letter from Village Attorney Regarding Compliance with Statutes
- #2: Letter to Chief Official of Overlying Taxing Entities and Notice
- #3: JRB Meeting Notices - Affidavit of Publication
- #4: JRB No. 1 Meeting Agenda and Minutes
- #5: JRB No. 2 Meeting Agenda and Minutes
- #6: JRB Resolution Approving TID No. 3 Amendment No. 1
- #7: Public Hearing Notice - Affidavit of Publication
- #8: RDA Meeting Agendas
- #9: Public Hearing and Meeting Minutes
- #10: RDA Resolution Approving TID No. 3 Amendment No. 1
- #11: Village Board Meeting Agenda
- #12: Village Board Resolution Approving TID No. 3 Amendment No. 1
- #13: Village Board Meeting Minutes

I. Process and Timeline

Notice of the Public Hearing was mailed to the overlying taxing jurisdictions and Joint Review Board members on May 6, 2019. A Joint Review Board notice was also published on May 24, 2019. The initial Joint Review Board meeting was held on May 29, 2019. The RDA hosted a public hearing on the amendment on June 11, 2019, and after the public hearing, the RDA approved the TID No. 3 Amendment No. 1 and recommended it to the Kronenwetter Village Board for adoption. Public Hearing notice was published on _____, 2019. The TID No. 3 Amendment No. 1 was adopted by resolution of the Kronenwetter Village Board on _____, 2019.

The TID No. 3 Amendment No. 1 was reviewed and _____ by a Joint Review Board as required by Wisconsin Statutes. A notice for the final meeting of the Joint Review Board was published on _____, 2019. The final meeting of the Joint Review Board was held on _____, 2019 where the Joint Review Board _____ the TID No. 3 Amendment No. 1.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the Project Plan and Boundary will be submitted to the Wisconsin Department of Revenue and used as the basis for the TID No. 3 Amendment No. 1 in the Village of Kronenwetter.

II. Introduction to TID No. 3 Amendment No. 1

This is Amendment No. 1 to the Village of Kronenwetter's Tax Increment District No. 3 (TID No. 3). The TID No. 3 Amendment No. 1 involves amending the project plan to add a public improvement project, and to enable revenue sharing to allocate funds to the Village's TID No. 4.

The Village of Kronenwetter created TID No. 3 on October 18, 2004. The TID was initially created to promote industrial development by helping to fund infrastructure improvements, thereby increasing the local employment base and tax base. The Village has not previously proposed any amendments to TID No. 3.

The TID No. 3 Amendment No. 1 modifies the TID project plan to enable funds to be allocated to for the purpose of constructing a multi-use trail along Old Highway 51 and the potential to allocate additional surplus funds to TID No. 4 to facilitate the closure of the distressed TID sooner than mandated. The TID No. 3 allocation amendment has been prepared in compliance with Wisconsin Statutes Chapter 66.1105. This amendment shall be attached to the TID No. 3 Project Plan and become part of the original project plan adopted by resolution of the Kronenwetter Village Board. There are no modifications being made to the TID Boundary as part of this Amendment.

As of the 2017 Wisconsin Department of Revenue Annual Report (Reported June 2018), TID No. 3 has a positive fund balance and is mandated to terminate in 2024. The addition of project costs to the TID No. 3 project plan will have minimal impact to TID No. 3 and the Village could terminate the TID early if necessary.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the Amendment will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of the Amendment No. 1 of Tax Incremental District No. 3.

III. Statement of Purpose and Summary of Finding



The purpose of this tax incremental district is to promote industrial development and thereby assist in furthering the employment goals of the area as noted previously and to provide an incentive for private investment in the Village of Kronenwetter. This incentive will be basically provided through the tax incremental district in reducing the costs to the development normally associated with the construction of streets, sanitary sewer, watermain, well or water system improvements storm drainage, and site improvements required for new development. These efforts combined with privately financed expansion plans in the District, will provide new tax base and expanded employment opportunity.

The purpose of TID No. 3 will not change as a result of this amendment; however, some of the revenue from TID No. 3 will be able to be allocated to projects in TID No. 4.

As authorized in Wisconsin Statutes Chapter 66.1105, the amendment of TID No. 3 continues to promote orderly development within the Village by promoting the availability of lands suitable for industrial development. Additionally, this will be accomplished by making additional infrastructure improvements, providing cash grants to owners and developers of land within the District, and making other enhancements within the District and the one-half mile radius of the District boundary.

IV. Statement of Kind, Number, and Location of Public Works & Other Projects

There is no change to this section.

V. Detailed List of Project Costs

Figure 1 describes the detailed project costs for project categories anticipated to be implemented during the remaining expenditure period of the District. This format follows Department of Revenue guidelines on detailed project costs, which state, "This list should show estimated expenditures expected for each major category of public improvements." The Project Plan costs summarized below were based on the estimated costs at the time of District creation. The Village reserves the right to revise these cost estimates to reflect changes in project scope, inflation, and other unforeseen circumstances over the remaining life of the District. The Village could pursue grant programs to share project costs included in this Project Plan as appropriate. Planned project costs are listed in the table below.

The Village may fund specific project cost items in Figure 1 in significantly greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes and goals of the TID. The Village will use the overall benefit to the Village and economic feasibility (i.e., the availability of future revenue to support additional project costs) in determining the actual budget for project cost items over the course of the TID expenditure period. The TID No.3 Project Plan includes a potential transfer of surplus funds to TID No. 4 for TID eligible expenses included in the TID No. 4 Project Plan.

Figure 1



Planned Project Costs Summary				
Village of Kronenwetter				
TID No. 3				
Category	Project Plan Costs	Amendments Plan 1 Costs	Other's Share	TID Share
A. Infrastructure	\$678,561	\$65,000	\$743,561	\$0
B. Capital Costs	\$0	\$0	\$0	\$0
C. Site Development Costs	\$0	\$0	\$0	\$0
D. Land Acquisition & Assembly	\$0	\$0	\$0	\$0
E. Development Incentives	\$0	\$0	\$0	\$0
F. Professional Services	\$0	\$0	\$0	\$0
G. Discretionary Payments	\$0	\$0	\$0	\$0
H. Administration Costs	\$0	\$0	\$0	\$0
I. Organizational Costs	\$50,000	\$3,000	\$53,000	\$0
J. Inflation	\$0	\$0	\$0	\$0
Subtotal	\$728,561	\$68,000	\$796,561	\$0
K. Financing Costs (less Capitalized Interest)	\$25,000	\$9,464		\$34,464
Capitalized Interest	\$72,000	\$0		\$72,000
Total TID Expenditure				\$106,464

Amendment: Infrastructure projects include the portion of costs related to the construction or alteration of storm or sanitary sewer lines, stormwater management facilities, water systems, utility service systems (electric, gas, communication, etc.), street amenities, bridge enhancements, or the rebuilding, alteration, or expansion of streets as necessitated by the Project Plan for areas within the geographic boundaries of the district. Infrastructure can also be installed outside the District if required to carry out Project Plans, but only the portion which directly benefits the District is an eligible cost. Infrastructure costs are typically associated with costs of improvements located within the right-of-way.

The Village included the following in the original project plan:

1. Sanitary Sewer; Watermain; Road (\$253,561)
2. Railroad Spur (\$200,000)
3. Railroad Signals (\$150,000)
4. Electrical Service; Gas Main (\$75,000)

The Village now anticipates including an additional cost to improve a multi-use trail to connect the general area within one-half mile of the TID boundary to the TID. The anticipated cost is approximately \$65,000.

VI. Non-Project Costs & Ineligible Costs

There is no change to this section.

VII. Economic Feasibility, Timetable, and Financing

Economic Feasibility and Time Table:

Under Wisconsin's Tax Incremental Financing Law, the property taxes paid each year on the increase in equalized value of the Tax Incremental Financing District may be used by the Village to pay for allowable project costs. The increase in value is determined by



taking the District's yearly equalized assessed value and deducting the value in the District that existed when it was initially created (the base value). All taxes levied upon this incremental (or increased) value by the Village, local school district, Marathon County, and the technical college are allocated to the Village for direct payment of project costs or the payment of debt service on bonds used to finance project costs. State property taxes on the increment value must still be paid to the state. All project expenditures must be made within fifteen years of the creation of an industrial Tax Incremental Financing District, and tax increments may be received until project costs are recovered for no longer than twenty years. A three-year extension is possible if successfully approved.

The following factors were considered in evaluating the economic feasibility of TID No. 3.

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

The maximum life of the District is twenty years; a three-year extension may be requested. The Village has a maximum of fifteen years, until 2019, to incur TIF expenses for the projects outlined in this plan. The Village is not mandated to make the improvements defined in this plan; each project will require case-by-case review and approval. The decision to proceed with a particular project will be based on the economic conditions and budgetary constraints at the time a project is scheduled for consideration. The actual implementation of the projects may be accelerated or deferred, depending on conditions existing at the time.

Additionally, current state statutes allow a municipality to collect revenue from a TID that is about to close for one additional year to benefit affordable housing and improve the housing stock.

Financing:

Under Wisconsin law, there are varieties of methods that a municipality could use to fund projects. Several methods influence the municipal borrowing limits while others do not. The Village could most likely utilize a combination of pay-as-you-go funding and borrowing to implement projects in TID No. 3 provided any debt could be paid off prior to the target closure date. State law limits the general obligations of the Village to five percent of the equalized property value.

Cash Flow:

There are sufficient TID revenues over the life of the District to pay for all costs. The Tax Increment Cash Flow shown below summarizes the assumed cash flow. The numbers presented in Figure 2 are estimates and are subject to change based upon the actual development and construction activity.

Figure 2

Tax Increment Cash Flow											
Village of Kronenwetter											
TID No. 3											
Year	Beginning Balance	Revenues			Expenses					Annual Surplus (Deficit)	Balance After Surplus to Principal
		Capital Interest & Debt Reserve	Tax Increment Revenue	Interest Income	Phase 1 Debt Service Payments	Phase 2 Debt Service Payments	Phase 3 Debt Service Payments	PAYGO Development Incentives	Annual Admin & Professional Services		
2004											
2005											
2006											
2007											
2008											
2009											
2010											
2011											
2012											
2013											
2014											
2015											
2016											
2017	27,687	0	11,127	121					2,884	8,364	36,051
2018	36,051	0	11,007		0	0	0	0	2,000	9,007	45,058
2019	45,058	0	11,151		0	0	0	0	4,000	7,151	52,209
2020	52,209	0	11,151		14,893	0	0	0	2,000	(5,742)	46,468
2021	46,468	0	11,151		14,893	0	0	0	1,000	(4,742)	41,726
2022	41,726	0	11,151		14,893	0	0	0	1,000	(4,742)	36,984
2023	36,984	0	11,151		14,893	0	0	0	1,000	(4,742)	32,243
2024	32,243	0	11,151		14,893	0	0	0	1,000	(4,742)	27,501
2025	27,501	0	11,151		0	0	0	0	1,000	10,151	37,652
Total	#REF!	0	89,041	121	74,464	0	0	0	15,884		

Other Expenses include: Site Development Costs, Professional Services, Discretionary Spending, Administration Costs, and Organizational Costs.
 0.00% = Assumed Investment Rate For Interest Income

Increase in Property Value

For the purposes of projecting assessed values for the remainder of the district's life, the Project Plan used a 0.0% property appreciation rate per year. This estimate is below the recent national, state, and reported local average. Using a net-zero annual inflation rate for property assessment values will provide a conservative estimate. These assumptions remain unchanged for Amendment No. 1.

Effective Tax Rate

The effective tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. For the purposes of projecting the mill rate for the remainder of the district's life, the Project Plan used the project mill rate from the Village of 0.016. For the purpose of a conservative estimate, the tax rate increase by approximately 0.25% annually.

VIII. Equalized Value Test

There is no change to this section.



IX. Statement of Impact to Overlying Taxing Jurisdictions

There is no change to this section.

X. Statement of Proposed Changes to Municipal Maps, Plans, and Ordinances

This Plan does not propose changes in the Comprehensive Plan, Official Map, Village Ordinances, or Building Codes. The Project Plan presented here complies with the Village's adopted Comprehensive Plan. Modifications or Amendments to the Village's Zoning Code, Comprehensive Plan or Future Land Use Map, and other Village ordinances may be necessary in the future if deemed appropriate for industrial development. Development proposals must follow the appropriate procedure to receive the proper zoning in changes are warranted by a given project.

XI. Relocation

Generally, relocation occurs where a person or business is displaced from real property as a direct result of eminent domain proceedings commenced by the Village against the subject property. No relocation is anticipated to be needed for the implementation of the Project Plan. However, should it become necessary, the Village will provide relocation benefits and assistance to the extent necessary as required by Wisconsin Statutes Chapter 32. Relocation services will be provided by the RDA with funds provided through TIF and other sources.

XII. Statement Indicating How Creation of the TID Promotes the Orderly Development of the Village of Kronenwetter

The analysis of Village ordinances and plans identified no amendments that will be needed. Development in TID No. 3 will reflect orderly and consistent growth. The proposed land uses are compatible with the existing land uses and the Comprehensive Plan map of Future Land Use. Adequate utility system and community service capacity exist to serve the anticipated new development.

XIII. District Boundaries

There is no change to the district boundary.

XIV. Findings

The proposed TID No. 3 was established in compliance with State Statutes.

- No less than 50 percent of the area in the District is suitable for industrial development and has been rezoned for industrial use.
- The improvement of TID No. 3 will enhance significantly the value of all other real property in the District.
- Project costs directly serve to promote industrial development.
- The District remains contiguous.



- Any property that is found suitable for industrial sites and is zoned for industrial use will remain zoned for industrial use for the life of TID No. 3.

There is no change to the section.

XV. TID No. 3 District Boundary and Description

No change to this section

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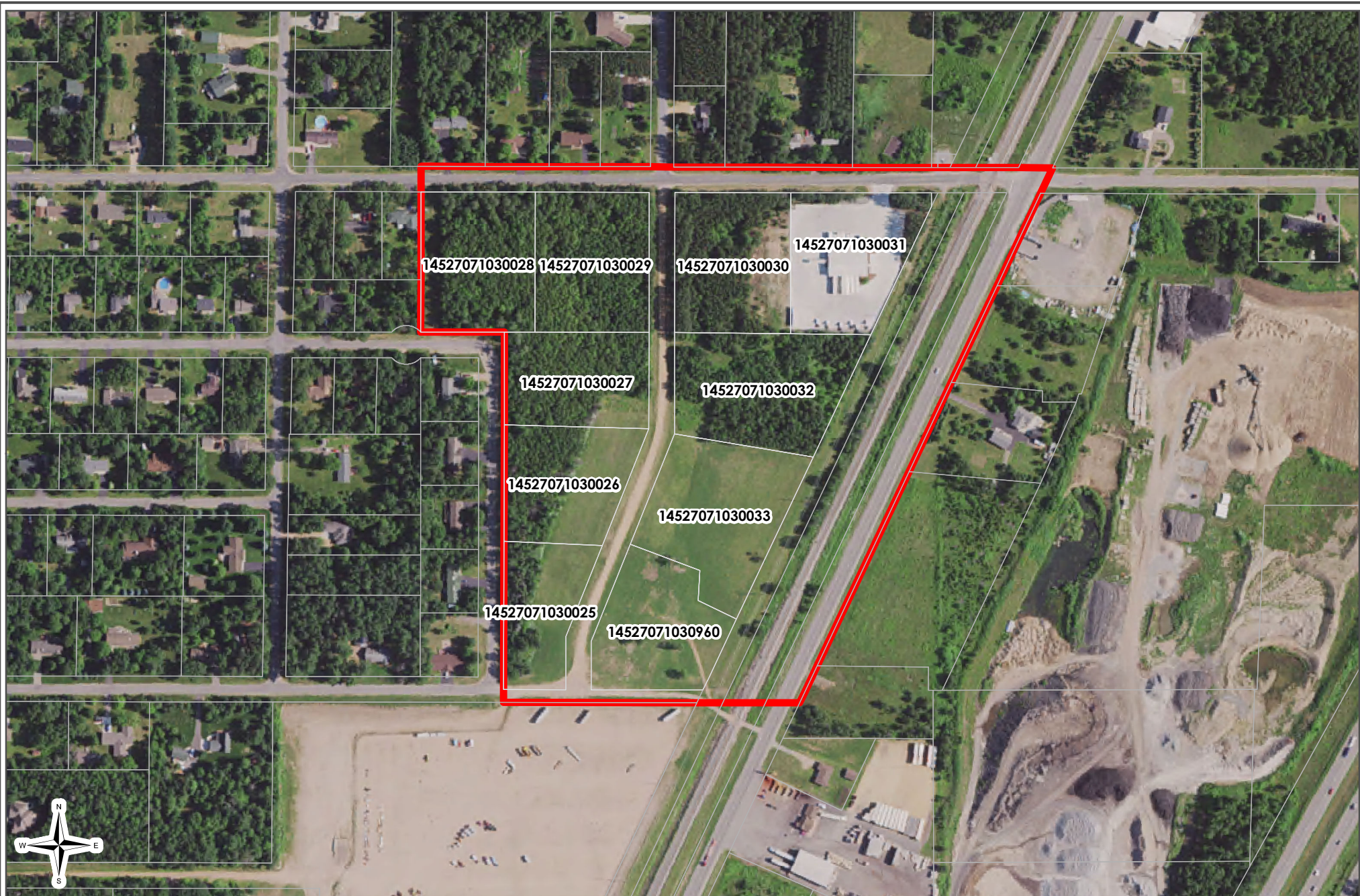
Appendix A: Maps

Map 1: Boundary, Parcels, & Orthographic

Map 2: Half-Mile Radius and Project Plan

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Map 1 - Boundary, Parcels, & Orthographic

Village of Kronenwetter

0 0.05 0.1 0.2 Miles

File Path: M:\Kronenwetter, Village of\180312_2018 TID Planning

□ Village Parcels
 □ TID No. 3 Boundary

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Data Sources:



Map 2: Half-Mile Radius and Project Plan
 Village of Kronenwetter

0 0.15 0.3 0.6
 Miles

File Path: M:\Kronenwetter, Village of\180312_2018 TID Planning

-  Village Parcels
-  TID No. 3 Boundary
-  1/2 Mile Buffer

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Data Sources:

VILLAGE OF KRONENWETTER - TAX INCREMENT DISTRICTS No.2 & No. 3 AMENDMENTS

Preliminary Summary of Activities and Timetable Created: 03/18/2019 (Updated 5/9/2019)

Action	Party Responsible	Date Range (Combined JRB and VB – no waiting period required for amendments)**
1. Village Board Meeting: Authorization to proceed with the amendment of TID No. 2 and/or No. 3	Village Board	4/10/19
2. Prepare Draft TIDs Project Plan amendments, resolutions, etc.	Vierbicher	4/15 to 5/15
3. Letters to taxing jurisdictions confirming JRB appointments	Vierbicher	4/18/2019 5/6/2019
4. JRB notice to the newspaper	Vierbicher	4/23/2019 5/13/2019
5. Public hearing notice to the newspaper	Vierbicher	5/1/2019 5/13/2019
6. Send hearing notices to taxing entities.	Vierbicher	4/23/2019 5/6/2019
7. Mail out JRB packets	Vierbicher	5/10/2019 5/20 to 5/30
8. Publish notice for TID JRB meeting (<i>Class 1 – 5 Days min</i>)	Newspaper	5/10/2019 5/15 to 5/30
9. Publish notice for TID Project Plan Public Hearing (<i>Class 1 – 7 Days before the hearing</i>)	Newspaper	5/10/2019 5/30/2019
10. JRB – First Meeting on TID Amendments: Discuss draft TIDs Project Plan amendments (<i>at least 5 days after publication of JRB meeting notice; latest date 14 days after notice of Public Hearing</i>)	Vierbicher / Village Staff / JRB	5/20 to 6/5/2019
11. RDA Meeting: <ul style="list-style-type: none"> Public hearing – TID Project Plans (<i>at least 7 days after last insertion of public notice</i>) Consider recommendation of TID Project Plan amendments to Village Board for approval 	Village Staff / RDA	6/11/2019
12. Provide information to Village Attorney for opinion letter	Vierbicher	5/31/2019 6/5/2019
13. Village Board Meeting: <ul style="list-style-type: none"> Review TID Project Plan amendment Consider approval of TID Project Plan amendment (<i>Not less than 14 days after public hearing</i>) 	Village Staff / Village Board	6/11/2019
14. JRB notice to newspaper	Vierbicher	TBD
15. Mail out JRB packets	Vierbicher	TBD
16. Publish JRB meeting notice	Newspaper	TBD
17. JRB – Final Meeting on TID Amendments: Approval of TID Project Plan by JRB (<i>At least 5 days after publication of meeting notice and within 45 days of Village Board approval</i>)	Village Staff / JRB	TBD
18. Notify DOR of TID amendments	Village Staff	Following JRB
19. Submit TID project Plan package to Wisconsin Department of Revenue	Village Clerk/ Assessor	TBD
20. (with \$1,000 certification fee)		

The official newspaper of the Village of Kronenwetter is the Wausau Daily Herald published 7 days. Notices should be sent by 4pm the day prior to publication – 888-943-0444 or WDH-Legals@wdhmedia.com

Plan Commission meets the 3rd Monday of each month. Village Board meets 2nd & 4th Tuesday at 6:00 p.m.