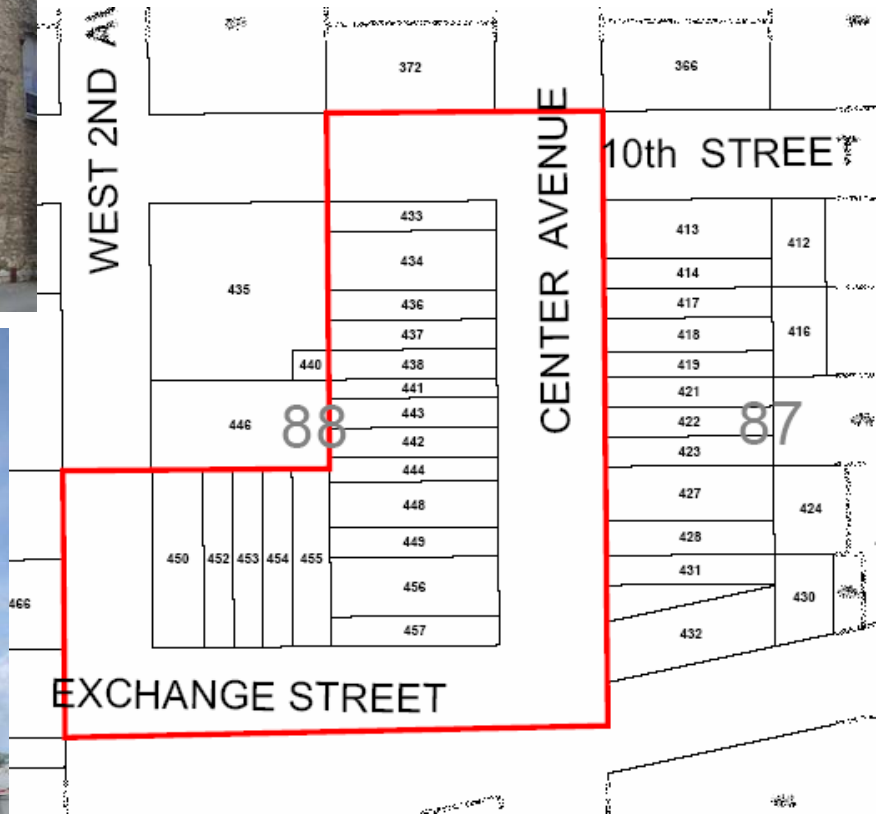


# City of Brodhead, Wisconsin



## Redevelopment Project Plan

**Tax Increment District No. 5 &  
Redevelopment Project Area No. 3**

**Redevelopment Project Plan  
Tax Increment District No. 5 &  
Redevelopment Project Area No. 3  
City of Brodhead, WI**

**Prepared For:  
City of Brodhead**

**Prepared By:  
Vierbicher Associates, Inc.  
999 Fourier Drive, Suite 201  
Madison, WI 53717**

## **Brodhead Common Council**

Doug Pinnow, Mayor  
Michael Searls  
Joe Kohlman  
John Bernstein  
Joella Miller  
Donald Wickstrum  
Joleen Erb

## **Brodhead Plan Commission**

Doug Pinnow, Chairman  
Holly Everson  
Sharon Wolter  
Mac Frie  
Jim Williams  
Alderman Joe Kohlman, Council Rep.  
Shelly Kuhl

## **Brodhead Community Development Authority**

Doug Pinnow, Chairman  
Holly Everson  
Sharon Wolter  
Mac Frie  
Jim Williams  
Alderman Joe Kohlman, Council Rep.  
Shelly Kuhl

## **Vierbicher Associates, Inc.**

Project Manager – Gary Becker

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- # 1: Planned Project Costs
- # 2: Financing Summary
- # 3: Debt Service Plan
- # 4: Tax Increment Pro Forma
- # 5: Cash Flow Worksheet
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- # 7: Timetable
- # 8: Resolution to Authorize Proceeding with the Creation of Tax Increment Districts
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- #15: JRB Organizational Meeting Minutes
- #16: Public Hearing Notice Proof of Publication
- #17: Public Hearing Notice to Property Owners
- #18: Minutes of Public Hearing on Redevelopment Project Plan
- #19: CDA Approval of Redevelopment Project Plan
- #20: City Council Resolution Creating Tax Increment District and Approval of Redevelopment Plan
- #21: JRB Final Meeting Notice
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- #23: Opinion Letter from City Attorney Regarding Compliance With Statutes
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- #25: Newspaper Articles about TID/Redevelopment Process

**REDEVELOPMENT PROJECT PLAN  
TAX INCREMENT DISTRICT NO. 5 &  
REDEVELOPMENT PROJECT AREA NO. 3  
CITY OF BRODHEAD, WISCONSIN**

**I. INTRODUCTION**

This project and redevelopment plan for Tax Increment District No. 5 (TID No. 5) and Redevelopment Project Area No. 3 in the City of Brodhead has been prepared in compliance with Wisconsin Statutes Chapter 66.1105(4)(f) and 66.1333(6)(b)2. The Redevelopment Project Plan establishes a need for the district, the proposed improvements within the district, an estimated time schedule, and an estimated budget. This project plan also includes a detailed description of the Tax Increment District and Redevelopment Project Area boundaries.

**A. Approval Process**

The City of Brodhead City Council met on July 12, 2004 and directed Vierbicher Associates, Inc. to prepare a draft redevelopment project plan and preliminary boundaries to create TID No. 5 and Redevelopment Project Area No. 3. The Council also authorized the formation of a Joint Review Board at that time. The City of Brodhead Community Development Authority (CDA) is authorized to prepare the plans necessary for both TID No. 5 and Redevelopment Project Area No. 3.

A draft redevelopment project plan was reviewed by the CDA on October 4, 2004. As a result of the discussion, revisions to the plan were made and a public hearing date was set. Owners of property within the boundaries of TID No. 5 and Redevelopment Project Area No. 3 were notified by certified mail on October 10, 2004 of the proposed designation of blight within TID No. 5 and Redevelopment Project Area No. 3 and of the Public Hearing. Notice of the Public Hearing was sent to the overlying taxing jurisdictions on October 1, 2004, and published on October 13, 2004 and October 20, 2004.

An organizational meeting of the Joint Review Board was held on October 26, 2004. A Public Hearing was held on the TID No. 5 Boundary and Redevelopment Project Plan on November 1, 2004. The CDA approved the TID No. 5 boundary and Redevelopment Project Plan following the public hearing and recommended to the City Council for adoption on November 17, 2004.

The Redevelopment Project Plan for TID No. 5 and Redevelopment Project Area No. 3 was adopted by resolution of the City Council on November 17, 2004. The Joint Review Board met on November 23, 2004 to approve the City Council Resolution creating TID No. 5. The CDA certified this plan on December 6, 2004. Documentation of all resolutions, notices and minutes can be found as attachments to this Project Plan.

As required by Wisconsin Statutes Chapter 66.1105(5)(b), a copy of the project plan will be submitted to the Wisconsin Department of Revenue and used as the basis for the certification of Tax Increment District No. 2 in the City of Brodhead.

This is to be used as the official plan that guides redevelopment activities within TID No. 5 and Redevelopment Project Area No. 3. Implementation of the plan and construction of the proposed improvements will require a case-by-case authorization by the CDA and City Council. Public expenditures for projects listed in the plan will be based on the development status of the land and economic conditions existing at the time the project is scheduled for construction. The City Council or CDA is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require formal amendment to the plan involving public review and City Council approval.

As stated in the City Council resolution approving this plan (appendix no. 20), the Redevelopment Project Plan conforms to the General Plan of the City of Brodhead.

**B. Joint Review Board**

The TID No. 5 project plan was reviewed and approved by a Joint Review Board (JRB) as required by Wisconsin Statutes consisting of:

**City of Brodhead**

Joe Kohlman  
Brodhead CDA  
P.O. Box 168  
Brodhead, WI 53520

**Brodhead School District**

Peggy Olson  
N2603 Scotch Rd  
Brodhead, WI 53520

**Green County Board**

Tom Daly  
W8007 County C  
Argyle, WI 53504

**At-Large**

Doug Pinnow  
P.O. Box 168  
Brodhead, WI 53520

**Blackhawk Technical College**

Dr. Eric Larson  
Blackhawk Technical College  
P.O. Box 5009  
Janesville, WI 53547

The JRB held its organizational meeting on October 26, 2004 at which members voted to accept Doug Pinnow as the At-Large Member and Peggy Olson as the JRB Chairman.

The final meeting of the JRB was held on November 23, 2004. The JRB approved the City's creation of TID No. 5.

C. Plan of Redevelopment for TID No. 5 and Redevelopment Area No. 3

*Inventory of Area*

The area that is the subject of this evaluation is the majority of block 88 in the City of Brodhead, Green County, WI. The block is bounded by Exchange Street on the South, W. 2<sup>nd</sup> Avenue on the West, 10<sup>th</sup> Street on the North and Center Avenue on the East. The area contains 18 parcels and the public right-of-way serving the area. Map 1 shows the boundaries of Redevelopment Area No. 3 and TID No. 5.

Underutilized, deteriorated, and undervalued parcels and improvements characterize much of the area. Investment has been rare in this section of downtown. The costs to rehabilitate these historic structures are often above the replacement values. The City and CDA intend to use the tools and powers authorized by State statutes to promote the redevelopment of this area and prevent further deterioration.

The City Council passed a resolution declaring the area blighted on September 13, 2004. Overall, none of the total area inside the boundary was vacant and 53.7 percent of the real property area was blighted. Table 1 shows an inventory of property within Redevelopment Area No. 3. Map 2 shows which parcels were found to be blighted, vacant, or both.

Table 1: Inventory of Property within Redevelopment Area No. 3

	Parcels	Acres	Percentage
Blighted Property	10	.72	53.7 % (of real property)
Vacant Property	0	0	0.0 % (of total area)
Real Property	18	1.35	100.0 %
Right of Way		1.70	55.7 % (of total area)
Total Boundary Area	28	3.05	100.0 %

TID No.5 and Redevelopment Area No.3 are served by a number of City streets including Exchange St., Center Ave. W. 2<sup>nd</sup> Ave, and 10<sup>th</sup> St. No other Federal, State or County highways serve either the TID or the Redevelopment Area. City infrastructure is in generally good shape.

The entire area is served by City sanitary sewer and water service. A City storm sewer also serves the District. Electric power is provided by the Brodhead Water and Light Commission – a City electric utility. Natural gas service is provided by Wisconsin Gas Co. Public utilities are adequate to serve proposed redevelopment of the District with the exception of older sanitary sewer and water lines which may be in need of replacement as redevelopment occurs.

The Brodhead area is not currently served by public transportation. There are no recreational facilities within the District, however, the District is well served by City parks and recreational trails. The southern trailhead of the popular Sugar River Bike Trail is one block away from the District. There are no community facilities within the District. Police, fire, City Hall, a school, and several churches serve the District within a 10 block radius.



Specific planned redevelopment activities include the remodeling and conversion of the building on parcel 450 into a five-room hotel with a 1<sup>st</sup> floor bicycle/sporting goods and the redevelopment of parcel 438 which was recently damaged by fire. The City would like to encourage the redevelopment of those parcels through the creation of TID No.5.

***Redevelopment Plans***

The properties included in TID No. 5 and Redevelopment Area No. 3 are important to the redevelopment of Downtown Brodhead and preserving the historic character of the community. Redevelopment of the buildings within the Downtown has been occurring at a slow pace. The City of Brodhead’s population and property values have been growing relatively slow, especially when compared to other communities in south central Wisconsin. Downtown property values are so low that the rehabilitation costs are often higher than the replacement value or the expected value of the buildings after the renovation.

The City and CDA will encourage the redevelopment of this district by improving City infrastructure and providing development incentives to property owners. The improvements will begin in 2005. To the right is a table of the planned municipal expenditures within TID No. 5 and Redevelopment Area No. 3.

City of Brodhead Redevelopment Area No. 3 Planned Project Activities	
Proposed Improvements	Estimated Cost
Alleyway Improvements	\$40,000
Bicycle Trail Connection	\$10,000
CDA Redevelopment Funds	\$75,000
Administration Costs	\$30,500
TIF Organizational Costs	\$25,000

The Alleyway Improvements item includes improving the alleys behind the buildings. Another project activity will be connecting TID to the existing Sugar River Trailhead, about one block away. The CDA Redevelopment Funds are intended for private investment grants for owners of these properties to rehabilitate their structures, especially for upgrading the electrical service.

These improvements will stabilize the commercial activity inside TID No. 5 and Redevelopment Area No. 3 and assist in the revitalization of Downtown Brodhead. Planned site improvements will improve traffic flow within District, reduce fire hazards and increase safety to persons and property, encourage rehabilitation of historic structures, and assist the redevelopment of the downtown economy. The City plans to encourage further redevelopment by offering more redevelopment funds to property owners who commit to redevelopment efforts and enforcing City zoning ordinances and historic preservation guidelines throughout.

The 2004 equalized value of the property within TID No. 5 and Redevelopment Area No. 3 was approximately \$1,292,085. The City currently knows of specific plans for private investment in two parcels inside the District, which is anticipated to add \$340,700 in value. Parcel 450 has been purchased by an investor who intends to convert the historic structure into a five-room hotel with a 1<sup>st</sup> floor sporting goods and natural foods store. Parcel 438 was recently purchased by an individual who is

locating a Chinese restaurant in the 1<sup>st</sup> floor. Some of these private investments are premised on a commitment by the City to make public improvements and assist with rehabilitation costs.

There are two other parcels currently listed for sale on the MLS (442 & 443) and these should be transitioning to new owners shortly, which will hopefully lead to new private investment and more rehabilitation in the district. However, for our TIF cash flow analysis, we are not assuming any investment will be made on these properties.

Neither land coverage nor building intensity within the redevelopment project area would increase from projects outlined in this plan. There are no vacant parcels inside the District. The primary goal of this project is to decrease vacancies in current buildings, increase values, and encourage historic preservation and rehabilitation. The current intensity of land uses is illustrated on Map No. 2. We estimate that there are nine apartments above the commercial establishments. According to the 2000 Census, 26 people lived in this block, and we would estimate that 24 of them were in the TID. This is a density of 7.6 people per acre over the entire redevelopment area. Population density within the boundary is expected to increase as more properties are redeveloped and vacancy rates decrease.

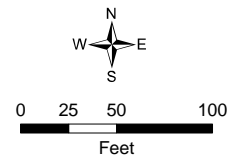
Photos documenting existing conditions in TID No. 5 and Redevelopment Area No. 3 are on pages 8 and 9.

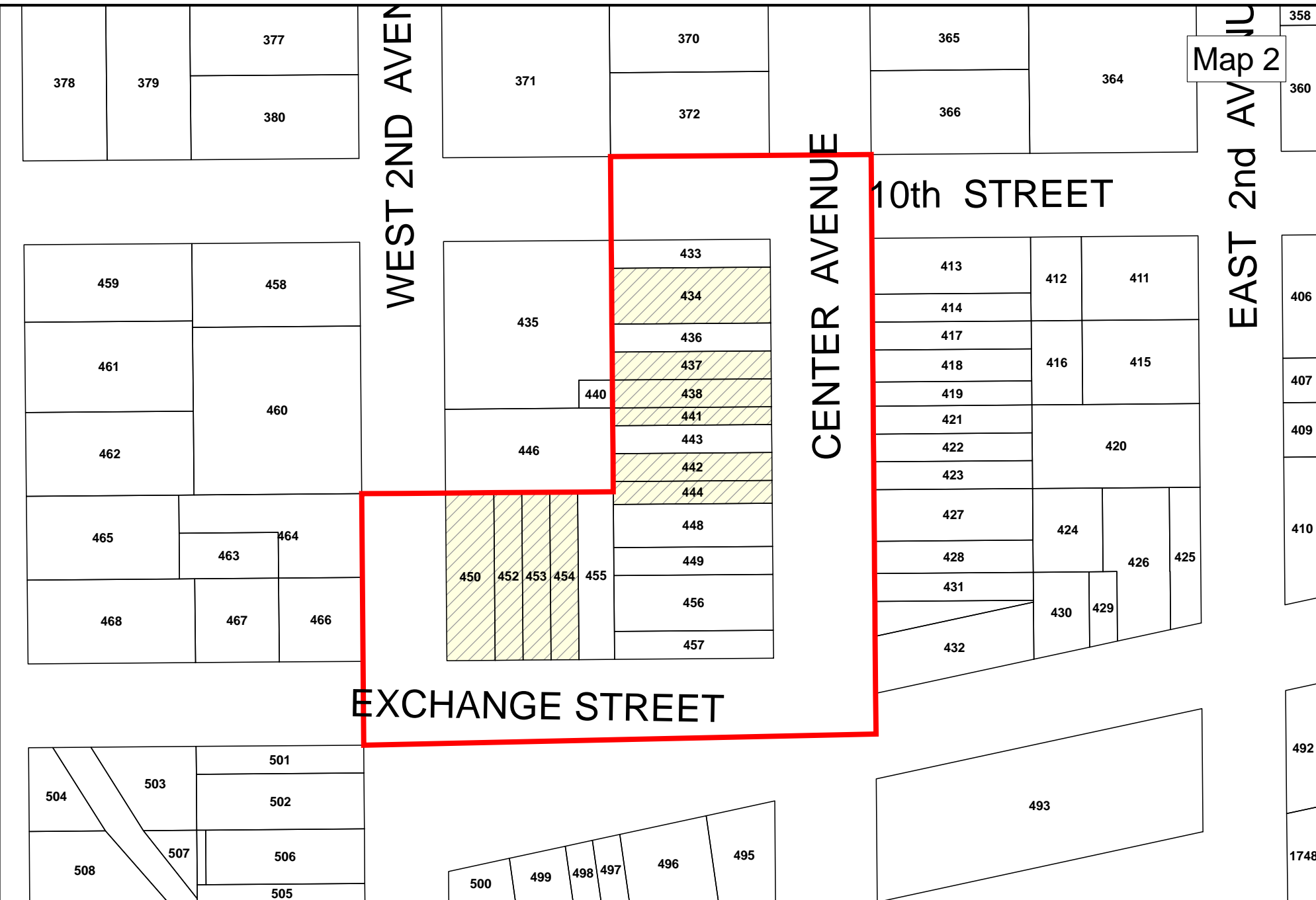


**Legend**



 Project Area Boundary

Tax Increment District No. 5  
Redevelopment Project Area No. 3  
City of Brodhead, Wisconsin

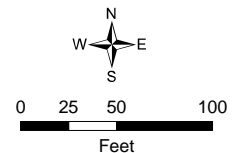




**Legend**

-  Project Area Boundary
-  Blighted

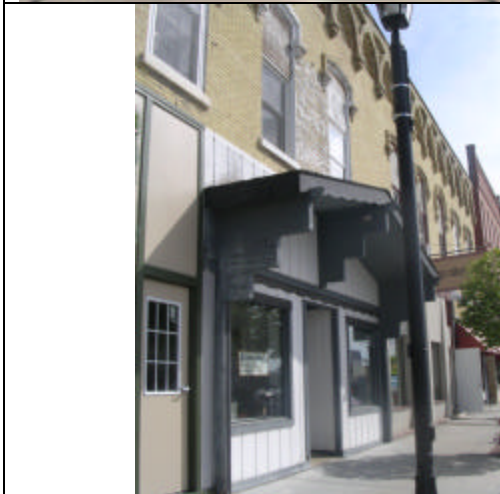
Condition of Property  
 Tax Incremental District No. 5  
 Redevelopment Project Area No. 3  
 City of Brodhead, Wisconsin



**Photos**

City of Brodhead TID No. 5

Parcels 450-455







**Table 1: TID No. 5 Parcel List and 2004 Assessed Values**

Parcel Number	Acres	Owner Name	Owner Address	Owner City	Owner State	Owner Zip	Land Value	Imp. Value	Total Value	Legal Desc	Zoning	Blighted	Vacant	Dilapidation	Deterioration	Age	Obsolescence	Ventilation, light, air, san., or open spaces	High density or overcrowding	Endanger life or property	Obsolete Platting	Diversity of Ownership	Deter. Of Structures	Deter. Of Site Improv.	Impairs sound growth	Blighting Conditions	
																										Structures demo'ed on	
433	0.06	Bruce W & Helen E Timm	N3816 Park Rd	Brodhead	WI	53520	\$11,550	\$17,750	\$29,300	Original Plat Block 88 N 22 ft Lot 1 (1001 1st Center Ave)	C																
434	0.13	RLL Enterprises,LLC LC	1005 1st Center Ave	Brodhead	WI	53520	\$22,850	\$62,650	\$85,500	Original Plat Block 88 S 44 ft Lot 1 (1005 1st Ctr Ave)	C	X		X	X		X		X					X			
436	0.06	Jack A Melvin & Gloria E Melvin	1007 1st Center Ave	Brodhead	WI	53520	\$11,550	\$20,250	\$31,800	Original Plat Block 88 N 22 ft Lot 3	C																
437	0.06	Ignazio Mazzaresse & Antonina Mazzaresse	1011 1st Center Ave.	Brodhead	WI	53520	\$11,550	\$38,650	\$50,200	Original Plat Block 88 S 22 ft of N 44 ft Lot 3	C	X		X	X		X		X					X			
438	0.06	Shao Lin	6909 N. Cty M #27	Evansville	WI	53536	\$10,750	\$38,900	\$49,650	Original Plat Block 88 S 22 ft of Lot 3 (1013 1st Center Ave)	C	X		X	X		X		X					X			
441	0.04	LaVerne R Lederman	1015 Center Ave	Brodhead	WI	53520	\$7,400	\$26,050	\$33,450	Original Plat Block 88 N 14 ft Lot 5	C	X		X	X		X		X					X			
442	0.06	Chris A Hamil	15811 Cannell Rd	Rockton	IL	61072	\$11,550	\$41,850	\$53,400	Original Plat Block 88 N 22 ft of S 30 ft Lot 5 (1021 Center Ave)	C	X		X	X		X		X					X			
443	0.06	Marc A Helmer & Kathleen L Helmer	1019 1st Center Ave	Brodhead	WI	53520	\$4,900	\$57,600	\$62,500	Original Plat Block 88 S 8 ft N 1/3 Lot 5 14 ft of Mid 1/3 Lot 5 (1019 1st Center Ave)	C																
444	0.05	Mary E Odell	4021 Cherokee Dr	Madison	WI	53711	\$9,450	\$45,850	\$55,300	Original Plat Block 88 S 8 ft Lot 5 N 10 ft Lot 7 (1025 1st Center Ave)	C	X		X	X		X		X					X			
448	0.10	Brodhead Mall Inc	1027 1st Center Ave	Brodhead	WI	53520	\$17,800	\$6,835	\$24,635	Original Plat Block 88 S 34 ft N 44 ft Lot 7	C																
449	0.06	F & M Bank	1035 1st Center Ave	Brodhead	WI	53520	\$11,550	\$13,600	\$25,150	Original Plat Block 88 S 22 ft Lot 7 (Drive through)	C																
450	0.12	Sharon Kamenicki	929 W. Exchange St	Brodhead	WI	53520	\$19,800	\$89,500	\$109,300	Original Plat Block 88 W 22 ft Lots 8 & 10 E 16 ft of W 38 ft Lots 8 & 10 (929 W Exchange St)	C	X		X	X		X		X					X			
452	0.07	David K Wickstrum & Rafaela M Wickstrum	W594 Teresa Ct	Brodhead	WI	53520	\$11,550	\$43,750	\$55,300	Original Plat Block 88 E 22 ft of W 60 ft Lots 8 & 10 (923 W Exchange St)	C	X		X	X		X		X					X			
453	0.07	Sean & Tammy Slocum	905 1st Center Ave	Brodhead	WI	53520	\$11,550	\$44,400	\$55,950	Original Plat Block 88 W 22 ft of E 72 ft Lots 8 & 10 (919 W Exchange St)	C	X		X	X		X		X					X			
454	0.07	Dennis C Lederman & Dawn Lederman	5603 W Fenrick Rd	Janesville	WI	53545	\$11,550	\$49,500	\$61,050	Original Plat Block 88 W 22 ft of E 50 ft Lot 8 & 10 (917 W Exchange St)	C	X		X	X		X		X					X			
455	0.08	Lazam Jaguposki, Country Garden	913 W Exchange	Brodhead	WI	53520	\$14,600	\$52,350	\$66,950	Original Plat Block 88 E 28 ft Lot 8 & 10 (913 W Exchange St)	C																
456	0.13	F & M Bank	1035 1st Center Ave	Brodhead	WI	53520	\$22,850	\$296,800	\$319,650	Original Plat Block 88 N 44 ft Lot 9	C																
457	0.06	F & M Bank	1035 1st Center Ave	Brodhead	WI	53520	\$11,550	\$111,450	\$123,000	Original Plat Block 88 S 22 ft Lot 9 (909 W Exchange St)	C																
Real Property	1.35	Acres					\$234,350	\$1,057,735	\$1,292,085																		
Blighted	0.72	Acres	53.7%		of Real Property																						
Vacant Property	0.00	Acres	0%																								
ROW	1.70	Acres	55.8%		of Total Area																						
Total Property	3.05	Acres	100%																								



WEST 2ND AVE

CENTER AVENUE

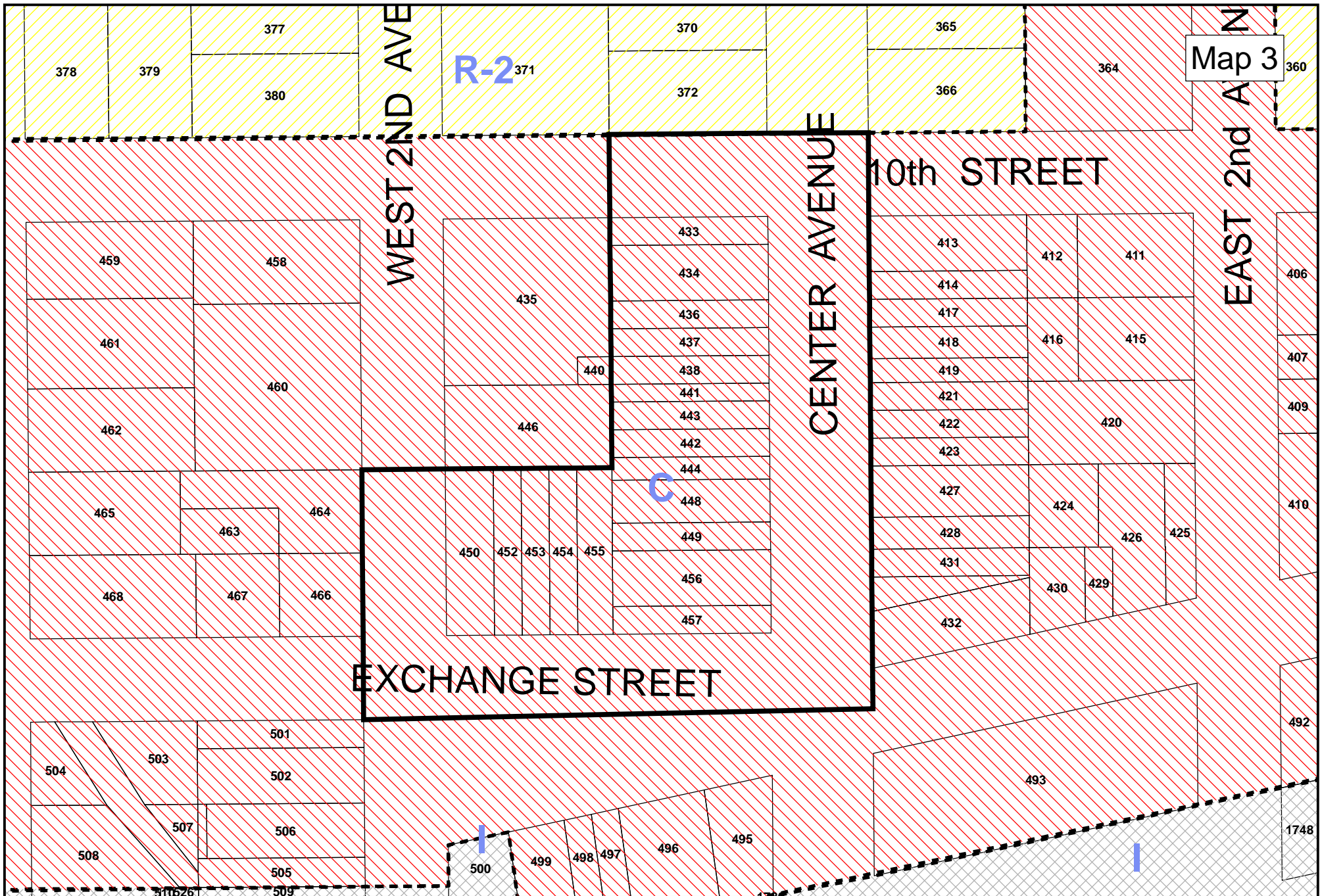
EAST 2nd A N

10th STREET





EXCHANGE STREET

R-2 371

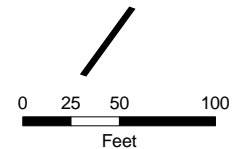
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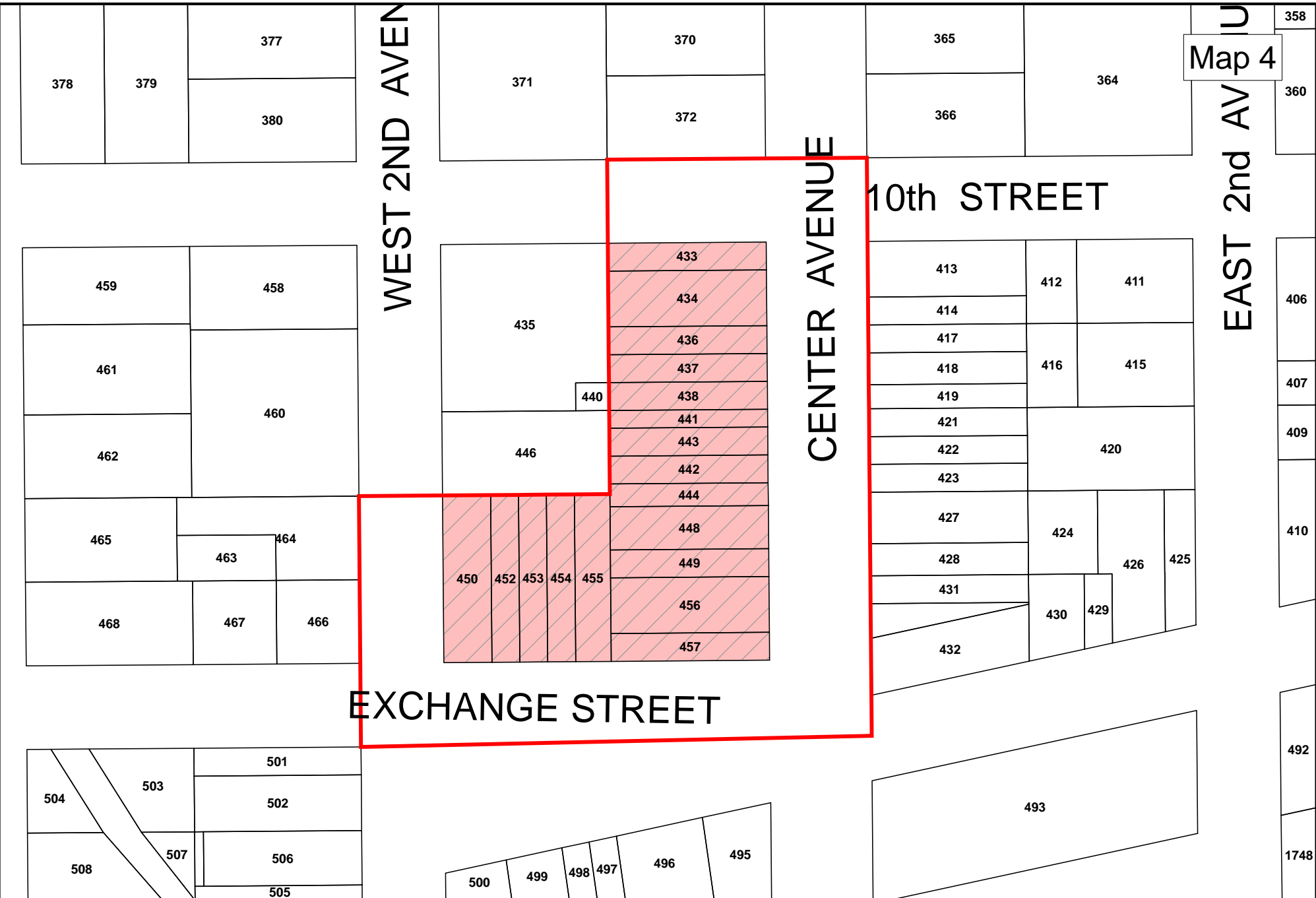


**Legend**

-  Project Area Boundary
-  (R-2) One and Two Family Residential District
-  (C) General Commercial District
-  (I) Light Industrial District

Existing Zoning  
 Tax Increment District No. 5  
 Redevelopment Project Area No. 3  
 City of Brodhead, Wisconsin





EXCHANGE STREET



WEST 2ND AVENUE

CENTER AVENUE

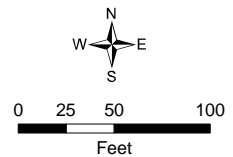
10th STREET

EAST 2nd AVENUE

**Legend**

-  Project Area Boundary
-  Commercial

Existing Land Use  
 Tax Increment District No. 5  
 Redevelopment Project Area No. 3  
 City of Brodhead, Wisconsin



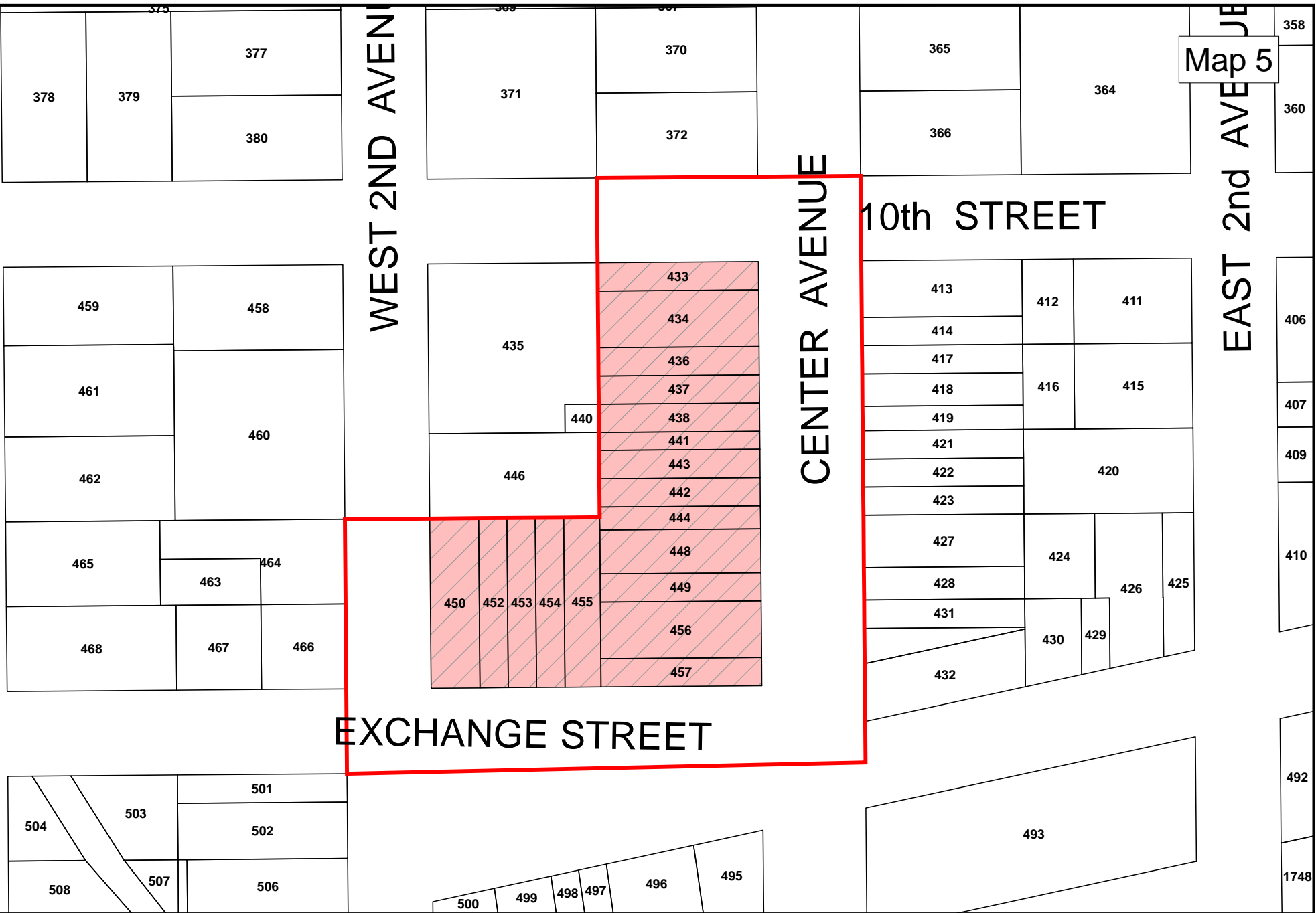
WEST 2ND AVENUE

CENTER AVENUE

EAST 2nd AVENUE

10th STREET

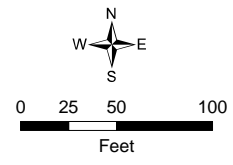
EXCHANGE STREET



**Legend**

- Project Area Boundary
- Commercial

**Proposed Land Use**  
**Tax Increment District No. 5**  
**Redevelopment Project Area No. 3**  
**City of Brodhead, Wisconsin**



## II. STATEMENT OF KIND, NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS WITHIN THE DISTRICT

TID No. 5 and Redevelopment Project Area No. 3 are being created in order to promote the redevelopment of blighted property, stimulate commercial revitalization, create jobs, improve a portion of the City, enhance the value of property, and broaden the property tax base. The City and CDA contemplate expending funds on planning, street, sewer and water improvements, financial incentives and site improvements to promote redevelopment activities.

Any cost directly or indirectly related to achieving the objectives of blight elimination or industrial development is considered a "project cost" and eligible to be paid from tax increments of this tax increment district, including but not limited to the list below. The costs of planning, engineering, design, surveying, legal and other consultant fees, testing, environmental studies, permits necessary for the public work, easements, judgments or claims for damages, and other expenses for all projects are included as project costs.

Listed below are major public improvement categories, which are necessary and standard improvements for eliminating blight and promoting redevelopment of blighted areas:

### A. Capital Costs

Including, but 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; the acquisition of equipment to service the district; the removal or containment of, or the restoration of soil or groundwater affected by, environmental pollution; and the clearing and grading of land.

### B. Infrastructure

That portion of costs related to the construction or alteration of sewerage treatment plants, water treatment plants or other environmental protection devices, storm or sanitary sewer lines, water lines, or amenities on streets or the rebuilding or expansion of streets the construction, alteration, rebuilding or expansion of which is necessitated by the project plan for a district and is within the district. Infrastructure can also be installed outside of the district, if required to carry out project plans but only the portion which directly benefits the district is an eligible cost.

### C. Real Property Assembly Costs

Any deficit incurred resulting from the sale or lease as lessor by the city of real or personal property within a tax incremental district for consideration which is less than its cost to the city.

### D. Professional Services

Including, but not limited to, those costs incurred for architectural, planning, engineering, and legal advice and services.

### E. Relocation Costs

Including, but not limited to, those relocation payments made following condemnation.

**F. CDA Redevelopment Funds**

The amount of any contributions made to a Redevelopment Authority or Community Development Authority in connection with the implementation of the project plan.

**G. Discretionary Payments**

Payments made, in 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, including payments made to a town that relate to property taxes levied on territory to be included in a tax incremental district.

**H. TIF Organizational Costs**

Including, but not limited to, the costs of conducting environmental impact and other studies and the costs of informing the public with respect to the creation of tax incremental districts and the implementation of project plans.

**I. Administration Costs**

Including, but not limited to, reasonable charges for the time spent by city employees in connection with the implementation of a project plan.

**J. Financing Costs**

Including, but 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 projects listed above will provide necessary facilities and support to enable and encourage the development of TID No. 5. These projects may be implemented in varying degrees in response to development needs.

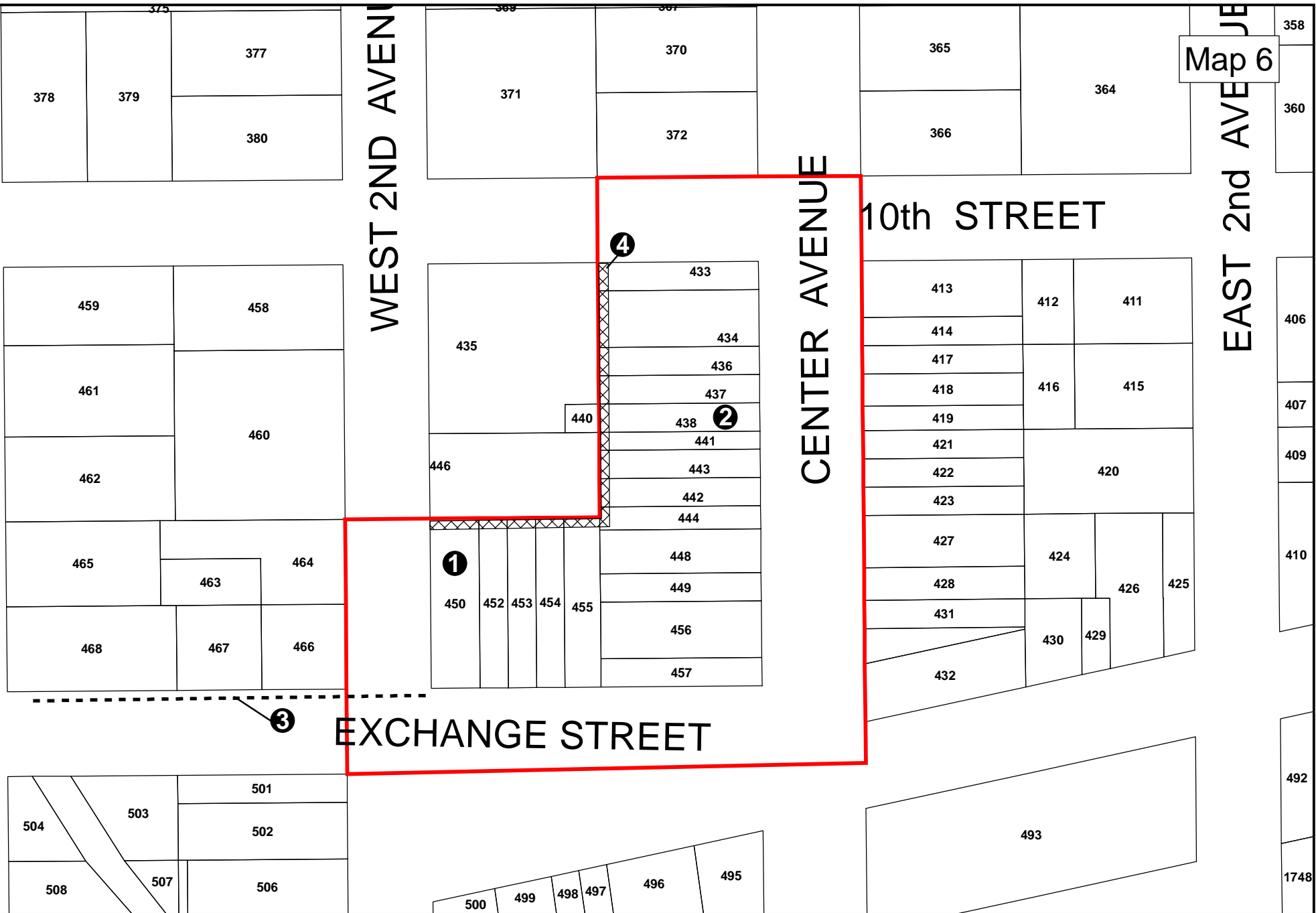
WEST 2ND AVENUE

CENTER AVENUE

EAST 2nd AVENUE

10th STREET

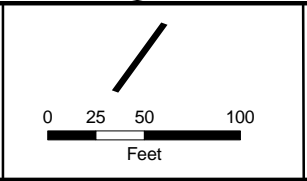
EXCHANGE STREET



**Legend**

- Project Area Boundary
- 1 Hotel / Sporting Goods Store
- 2 Chinese Restaurant
- 3 Bike Trail Connection
- 4 Alleyway Improvements

**Proposed Improvements**  
**Tax Increment District No. 5**  
**Redevelopment Project Area No. 3**  
**City of Brodhead, Wisconsin**



### III. DETAILED LIST OF PROJECT COSTS FOR TID NO. 5

The table below describes the detailed project costs for project categories anticipated to be implemented during the expenditure period of TID NO. 5. This format follows Dept. of Revenue guidance on detailed project costs, which states “this list should show estimated expenditures expected for each major category of public improvements”.

All costs listed are based on 2004 prices and are preliminary estimates. The City reserves the right to revise these cost estimates to reflect change in project scope, inflation and other unforeseen circumstances between 2004 and the time of construction or implementation. The City should pursue grant programs to help share project costs included in this project plan, as appropriate. Planned project costs are listed in the table below. A more detailed list of planned project costs is included as Attachment No.1.

The City may fund specific project cost items shown below in significantly greater or lesser amounts in response to opportunities which will help the City accomplish the purposes of TID NO. 4. The City will generally use overall benefit to the City 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’s expenditure period.

BRODHEAD TID NO. 5 PLANNED PROJECT COSTS			
Proposed Improvements	Total Cost	Others Share	TID Share
A. Capital Costs	\$0	\$0	\$0
B. Infrastructure	\$50,000	\$0	\$50,000
C. Real Property Assembly Costs	\$0	\$0	\$0
D. Professional Services	\$0	\$0	\$0
E. Relocation Costs	\$0	\$0	\$0
F. CDA Redevelopment Funds	\$75,000	\$0	\$75,000
G. Discretionary Payments	\$0	\$0	\$0
H Administration Costs	\$30,500	\$0	\$30,500
I. TIF Organizational Costs	\$25,000	\$0	\$25,000
<b>TID SHARE SUBTOTAL</b>	<b>\$180,500</b>	<b>\$0</b>	<b>\$180,500</b>
Inflation Cost Adjustment			\$0
J. Financing Costs ( <i>Interest less Capitalized Interest, Financing Fees</i> )			\$103,190
Capitalized Interest			\$11,058
<b>TOTAL TID EXPENDITURE</b>			<b>\$294,748</b>

IV. ECONOMIC FEASIBILITY STUDY FOR TID NO. 5

In order to evaluate the economic feasibility of the TID, it is necessary to project the amount of tax incremental revenue that can reasonably be generated from the district. The ability of the municipality to finance proposed projects must also be determined. TID No. 5 is economically feasible if the tax incremental revenue projected to be generated over the life of the TID is sufficient to pay all project and financing costs incurred during the TID’s expenditure period. The components of such an analysis include:

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

Following is a discussion of these components. Financing issues are discussed in the next section.

A. Inflation

Throughout the past twenty years, the annual rate of inflation in the construction industry has averaged 2.5 percent (source: Engineering News-Record Construction Cost Index History - <http://enr.construction.com/cost/costcci.asp>). Appreciation of land values in Brodhead have averaged about 5.7% between 2001 and 2004 (source: Wisconsin Dept. of Revenue, *Property Tax Master Data File 2000 - 2003*). The inflation rate, for the purpose of making projections of equalized value, will be 1.0 percent. Inflation for purposes of projecting future project costs is assumed to be 1.0 percent.

B. Increase in Property Value

The proposed plan for TID No. 5 includes the redevelopment of all six parcels within the TID. The formation of TID No. 5 will enable the City to make various improvements and provide funding that will stimulate redevelopment in the area. This redevelopment will create increased property valuation. The increase in property valuation is estimated from the following projects. Other improvements and redevelopment projects, which were not anticipated at the time this Project Plan was prepared, may occur within the TID.

- 1) Hotel / Sporting Goods Store Renovation.....\$190,700  
Parcel #450 – Complete remodel of building to accommodate a five-room hotel upstairs and a sporting goods / bicycle / limited food and beverage store on ground floor. Construction expected to occur in 2005.
- 2) Chinese Restaurant .....\$150,000  
Parcel #438 – Construction of a Chinese Restaurant on the first floor. First floor of building is currently vacant and will require considerable renovation and investment to complete restaurant. Construction is expected to occur in 2004.



**C. Full Value Tax Rate**

The third variable to consider in projecting TID revenues is the full value tax rate. The full value tax rate is adjusted annually based on property valuation and the amount of funds required by all taxing jurisdictions to support their adopted annual budgets. The following chart summarizes the historic full value tax rate in the City between 1997 and 2003.

Year	Mill Rate/\$1,000	Percent Change
1997	\$25.54	-
1998	\$25.14	-1.57%
1999	\$24.59	-2.19%
2000	\$27.02	9.88%
2001	\$26.18	-3.11%
2002	\$24.43	-6.68%
2003	\$25.49	4.38%

The full value rate has remained relatively constant since 1997 – an overall change of -.16 percent between 1997 and 2003. With state budget shortfalls predicted for the next several years and growing fiscal pressures on municipalities, it is unlikely that local tax rates will drop any further. The 2003 tax rate of .02549 with 0% change will be used in this project plan to project TID revenues.

**D. TIF Revenues**

Utilizing a property appreciation rate of 1.0 percent, projected construction increment of \$340,700 over the life of TID No. 5 and an initial full-value tax rate of .02549, which is projected to remain constant, the projected TIF Revenue from TID No. 5 will be as shown in the Tax Increment Proforma in Attachment #4. The total tax increment revenue is sufficient to pay all TID related costs for the projects and amounts shown in the Planned Project Costs in Attachment #1.

**E. Cash Flow**

Another consideration regarding the adequacy of TID revenues toward paying TID project costs is the relative timing of revenue and expenditure, or cash flow. There are sufficient TID revenues over the life of the TID to pay all costs. In addition, there are sufficient TID revenues in each year to pay all costs. The City anticipates borrowing additional funds to pay interest expense on borrowings (capitalized interest) to bridge temporary cash flow gaps caused by the two year lag in collecting tax revenue on new increment. The Tax Increment Cash Flow Worksheet shown on Attachment #5 summarizes the assumed cash flow.

## V. FINANCING METHODS AND TIMETABLE FOR TID NO. 5

### A. Financing Methods

An important aspect to consider in assessing the economic feasibility of TID No. 5, is the ability of the City to finance desired projects to encourage development. Financial resources available to the City include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs. Additionally, the CDA may finance project costs within a TID and the City may apply TID revenue to the CDA to service the debt incurred to finance eligible projects within the TID.

General obligations of the City are limited by state law to five percent of the equalized property value. The City had a 2004 total debt capacity of \$6,778,750 and \$3,320,517 in existing General Obligation debt. Using this data, the current remaining debt capacity is \$3,458,233. This is more than adequate financing capacity to finance the \$150,000 in project costs which are likely to be borrowed plus capitalized interest. Not all anticipated project costs will need to be borrowed. For example, TID administration costs will be relatively small on an annual basis and can be paid out of City operating funds and reimbursed from the TID when funds are available.

The City has the capacity to finance some project costs through direct debt or bond instruments, utilizing the general revenue capacity of the City to secure those instruments. There are other mechanisms available to pay for some project costs that would not count against the City's constitutional debt capacity.

The City may utilize revenue bonds repaid from fees for services charged by the City. Common examples of such revenue are charges for sewer and water usage. There is no statutory limit on the amount of revenue bonds that can be issued, however, the City must demonstrate the ability to repay the debt from anticipated revenues. A further factor that could potentially limit revenues is that utility rates may be regulated by the Wisconsin Public Service Commission.

Some project costs can potentially be paid through special assessments levied on properties directly benefiting from the improvements. Costs of streets, curbs, gutters, and sewer and water extensions are commonly paid through special assessments. The City can issue special assessment bonds, pledging revenues from the special assessments on individual properties to repay the debt. Property owners are generally permitted to pay the special assessments in installments. These bonds are not counted against the City's constitutional debt limit.

### B. Timetable

The City of Brodhead has a maximum of twenty-two years, until May 2026 to incur TIF expenses for the projects outlined in this plan. The maximum life of the TID will be twenty-seven years and a four-year extension may be requested. The City Council 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. Actual implementation of the projects may be accelerated or deferred, depending on conditions existing at the time. Projects are expected to begin in 2005 and occur periodically throughout the twenty-two year expenditure period.

Timing for each of the planned redevelopment projects is shown in the TID Pro Forma (Attachment # 4) and TID Cash Flow (Attachment #5) worksheets.

**C. Description of Methods of Financing and Time Such Costs or Related Monetary Obligations are to be Incurred**

Financing for the projects shown above will be done as summarized in the Financing Summary and the Debt Service plans for the borrowing shown in Attachments #2 and #6. The actual number, timing, and amounts of debt issues will be determined by the City at its convenience and as dictated by the nature of the projects as they are implemented. All monetary obligations will be incurred within the twenty-two year expenditure period, unless relocation requires extending beyond the given period.

**VI. ANALYSIS OF OVERLYING TAXING DISTRICTS**

Taxing Districts overlying the City of Brodhead TID No. 5 include Green County, Brodhead School District, Blackhawk Technical College, and the State of Wisconsin. Impact on the overlying taxing districts is based on the percentage of tax collections in TID No. 5 in 2004. Total TIF Increment over the life of the district is divided by a proportionate share of each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included as Attachment #6.

Many of the projects planned for the TID would not occur or would occur at significantly lower values but for the availability of tax incremental financing. TID No. 5 is a mechanism to make improvements in an area of Brodhead which is experiencing blighting influences and to support growth in the City's tax base. All taxing jurisdictions will benefit from the increased property values, public safety, and community vitality, which will result from the projects planned in TID No. 5.

**VII. MAPS SHOWING EXISTING LAND USES AND ZONING**

SEE MAPS #3 and #4, pages 13 and 14.

**VIII. MAPS SHOWING PROPOSED IMPROVEMENTS**

SEE MAP #6, page 17.

**IX. PROPOSED CHANGES IN THE MASTER PLAN, MAPS, BUILDING CODES AND CITY ORDINANCES**

The City of Brodhead has a Community Master Plan. No changes in the Master Plan, Official Map, Building Codes, Zoning Ordinance or City Ordinances are required to

implement this project plan. Individual redevelopment proposals may require changes in zoning designation consistent with the intent of this Plan.

**X. A LIST OF ESTIMATED NON-PROJECT COSTS**

There are no project costs planned for TID No. 5 which would directly benefit property outside the TID, therefore there are no “non-project” costs.

**XI. PROPOSED METHOD FOR THE RELOCATION OF ANY DISPLACED PERSONS**

No persons are expected to be displaced or relocated as a result of proposed projects in TID No. 5 and Redevelopment Project Area No. 3. The following is the method proposed to be followed by the City or CDA if future projects require displacement or relocation. Before negotiations begin for the acquisition of property or easements, all property owners will be contacted to determine if there will be displaced persons as defined by Wisconsin Statutes and Administrative Rules. If it appears there will be displaced persons, all property owners and prospective displaces will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce (DOC). If any person is to be displaced as a result of the acquisition they will be given a pamphlet on "Relocation Benefits" as prepared by the DOC. The City will file a relocation plan with the DOC and shall keep records as required in Wisconsin Statutes 32.27. The City will provide each owner a full narrative appraisal, a map showing the owners of all property affected by the proposed project and a list of neighboring landowners to whom offers are being made as required by law.

**XII. STATEMENT INDICATING HOW CREATION OF THE TID PROMOTES THE ORDERLY DEVELOPMENT OF THE CITY OF BRODHEAD**

The creation of TID No. 5 will encourage the development of blighted and otherwise economically distressed and underutilized property in the City. Creation of the TID will also promote development of the tax base of the City and, in general, promote the public health, safety and general welfare. Successful implementation of the projects planned in TID NO. 5 will build tax base for the City and overlying taxing jurisdictions and improve the safety and welfare of the area.

**XIII. DISTRICT BOUNDARIES**

Prior to considering the specific area to include within the TID, the CDA established criteria to act as guidelines in their work. The boundary criteria are as follows:

1. The equalized value of taxable property of the district plus the value increment of all existing districts does not exceed 12 percent of the total equalized value of taxable property within the city.
2. A minimum of 50 percent of the TID must be a blighted area, in need of rehabilitation or conservation or suitable and zoned for industrial use.

3. All lands within the TID shall be contiguous.

TID No. 5, Redevelopment Area No. 3 Boundary Description:

An area of land located in the Southeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northeast Quarter of Section 25, Town 2 North, Range 9 East, City of Brodhead, Green County, Wisconsin bound by the following described line;

Commencing at the intersection of the north right-of-way line of 10<sup>th</sup> Street with the east right-of-way line of Center Avenue, being the Point of Beginning;

Thence Southerly, 465 feet more or less, along the east right-of-way line of Center Avenue to the easterly extension of the north line of Block 101, Original Plat of Brodhead;

Thence Westerly, 403 feet more or less, along the easterly extension of the north line of Block 101, Original Plat of Brodhead to the northeast corner of Block 101, Original Plat of Brodhead;

Thence Northerly, 198 feet more or less, along the west right-of-way line of West 2<sup>nd</sup> Avenue to the westerly extension of the north line of Lot 8, Block 88, Original Plat of Brodhead;

Thence Easterly, 198 feet more or less, along the westerly extension of the north line of Lot 8, Block 88, Original Plat of Brodhead and the north line of Lot 8, Block 88, Original Plat of Brodhead to the northeast corner of Lot 8, Block 88, Original Plat of Brodhead;

Thence Northerly, 264 feet more or less, along the west line of Lots 1,3, and 5, Block 88, Original Plat of Brodhead and the extension to the north right-of-way line of 10<sup>th</sup> Street;

Thence Easterly, 205 feet more or less, along the north right-of-way line of 10<sup>th</sup> Street to the Point of Beginning.

#### XIV. ATTORNEY OPINION LETTER AND CITY COUNCIL RESOLUTION

See Attorney Opinion Letter (Attachment No. 23) and City Council Resolution (Attachment No. 20) on following pages.