

**VILLAGE OF SHOREWOOD HILLS
VILLAGE BOARD RESOLUTION NO. R-2016-3
RESOLUTION CREATING TAX INCREMENT DISTRICT NO. 5**

WHEREAS, the Village Board of the Village of Shorewood Hills requested that the Plan Commission identify a boundary and prepare a Project Plan for the creation of Tax Increment District (TID) No. 5; and

WHEREAS, the Plan Commission established boundaries for said TID No. 5; and

WHEREAS, the Plan Commission caused a Project Plan to be prepared for TID No. 5 which identified investments necessary to eliminate blighting conditions and promote redevelopment within said blighted area; and

WHEREAS, the Plan Commission conducted a public hearing on said TID No. 5 boundary and TID No. 5 Project Plan after duly notifying property owners and overlying taxing jurisdictions of said public hearing under Wisconsin Statutes §66.1105(4)(a) and §66.1105(4)(e); and

WHEREAS, the Plan Commission approved said boundary and Project Plan for TID No. 5 and recommended that the Village Board of the Village of Shorewood Hills create TID No. 5 as approved by the Plan Commission;

NOW, THEREFORE, BE IT RESOLVED, the Village Board of the Village of Shorewood Hills hereby creates a Tax Increment District which shall be known as Tax Increment District (TID) No. 5, Village of Shorewood Hills, and that said District shall be created effective January 1, 2016.

BE IT FURTHER RESOLVED, the boundaries for TID No. 5 shall be those attached and marked as Exhibit A (description) and Map 1 to this Resolution and contain only whole units of property as are assessed for property tax purposes; and

NOW, THEREFORE, BE IT RESOLVED, the boundaries for TID No. 3 shall remain unchanged and marked as Exhibit B - Map 1 to this Resolution and contain only whole units of property as are assessed for property tax purposes; and

BE IT FURTHER RESOLVED, the Village makes the following findings:

- A. Not less than 50 percent, by area, of the real property within the District is blighted; and
- B. The improvement of TID No. 5 is likely to enhance significantly the value of substantially all of the other real property in the District; and
- C. The project costs directly serve to eliminate blight and are consistent with the

purpose for which the Tax Increment District is created; and

- D. The aggregate value of equalized taxable property of the District plus all increment in existing districts does not exceed twelve percent of the total value of equalized taxable property within the Village; and
- E. Declares that the district is a blighted area district as illustrated in the Project Plan and related appendix.
- E. The total lands devoted to retail businesses at the end of the maximum expenditure period within TID No. 5 is estimated to be less than 35% of real property within the district.

BE IT FURTHER RESOLVED, pursuant to Wisconsin Statutes §66.1105(4)(g), the Village Board hereby approves the Project Plan for TID No. 5 as recommended by the Plan Commission, and finds that it is feasible and in conformance with the master plan of the Village.

This Resolution is being adopted by the Village Board at a duly scheduled meeting on Monday, March 28, 2016.

Mark L. Sundquist, Village President

Colleen Albrecht, Village Clerk

CERTIFICATION

I, Colleen Albrecht, Clerk of the Village of Shorewood Hills, certify that the foregoing Resolution was duly and regularly adopted by the Village Board at a duly scheduled meeting held at the Village Hall on March 28, 2016.

Motion by _____, seconded by _____ to adopt the Resolution.

Vote: _____ Yes _____ No

Resolution Adopted. _____, Village Clerk

EXHIBIT A:
Village of Shorewood Hills
TID No. 3 Amendment No.2 Complete Boundary Description (unchanged)

Part of the Southeast Quarter of the Southwest Quarter of Section 17, Township 07 North, Range 09 East, Village of Shorewood Hills, Dane County, Wisconsin, more fully described as follows:

Commencing at the South quarter corner of said Section 17; thence North 89 degrees 25 minutes 31 seconds West, along the South line of the Southwest Quarter of said Section 17, 393.38 feet; thence North 00 degrees 34 minutes 29 seconds East, along a random line, 33.00 feet to a point on the northerly right-of-way line of University Avenue and the point of beginning of this description; thence North 89 degrees 24 minutes 27 seconds West, along the Northerly right-of-way of said University Avenue, 124.86 feet; thence North 00 degrees 13 minutes 11 seconds East, 480.35 feet to a point on the Southerly right-of-way line of a Wisconsin Department of Transportation Railroad right-of-way and a point of non-tangential curvature; thence Northeasterly, along the Southerly right-of-way of said Railroad, 523.59 feet along the arc of a curve to the right through a central angle of 05 degrees 16 minutes 01 second, a radius of 5695.65 feet and a chord bearing North 81 degrees 36 minutes 55 seconds East, 523.40 feet to a point on the North-South quarter line of said Section 17; thence South 00 degrees 10 minutes 12 seconds West, along said North-South quarter line, 92.54 feet to a point being the Northeasterly platted boundary corner of Lot 2, Certified Survey Map Number 13476, as recorded in Volume 87 of C.S.M.'s, on pages 323-325, as Document Number 4972334; thence South 82 degrees 41 minutes 00 seconds West, along the Northerly platted boundary line of said Lot 2, C.S.M. Number 13476, a distance of 208.56 feet; thence South 81 degrees 24 minutes 15 seconds West, along said Northerly platted boundary line of said Lot 2, C.S.M. Number 13476, a distance of 187.94 feet to the Northwest corner of said C.S.M. Number 13476; thence South 00 degrees 15 minutes 17 seconds West, along the West line of said C.S.M. Number 13476 and its Southerly extension thereof, 410.77 feet to the point of beginning.

EXCLUDING all wetlands from the above described lands.

Deteriorated parking areas

Tax Increment District No. 5 Village of Shorewood Hills, WI

Prepared For:



Village of Shorewood Hills
810 Shorewood Boulevard
Madison, WI 53705
(608) 267-2680

Prepared By:

vierbicher
planners | engineers | advisors



999 Fourier Drive, Suite 201
Madison, WI 53717
(608) 826-0532

DRAFT
March 7, 2016

Acknowledgements

Village Board

Mark Sundquist, President
Dave Benforado
Felice Borisy- Rudin
John Imes
Mark Lederer
Anne Readell
Fred Wade
Sean Cote, Treasurer

Plan Commission

Mark Sundquist, Chair
Dave Benforado
Karl Wellensiek
Earl Munson
James Etmanczyk
Brauna Hartzel
Debra Remington

Village Staff

Karl Frantz, Administrator
Colleen Albrecht, Clerk

Joint Review Board

Mark Sundquist – Village of Shorewood Hills
Charles Hicklin – Dane County
TJ Mertz – Madison Metropolitan School District
Dr. Tim Casper – Madison Area Technical College
David Benforado – At-Large Member

Vierbicher Associates, Inc.

Gary Becker, CEcD - Project Principal
Daniel J Lindstrom, AICP - Project Manager

Table of Contents

Contents

Introduction	1
Proposed Public Works & Project Costs.....	4
Detailed Project Costs	7
Economic Feasibility.....	8
Financing Methods & Timetable	9
Overlying Taxing Jurisdictions.....	10
"12% Test"	10
Changes to Maps, Plans, Ordinances.....	10
Relocation.....	10
Promoting Orderly Development	11
District Boundaries	11
Financials.....	Appendix A
Parcel List & Maps	Appendix B
Resolutions, Notices, Minutes	Appendix C

Appendix A: Financial Attachments

Attachment #1: Planned Project Costs
Attachment #2: Financing Summary (N/A)
Attachment #3: Debt Service Plan (N/A)
Attachment #4: Tax Increment Pro Forma
Attachment #5: Tax Increment Cash Flow
Attachment #6: Analysis of Impact to Overlying Taxing Jurisdictions
Attachment #7: Increment Projections

Appendix B: Parcel List & Maps

Map #1: District Boundary and Parcels
Map #2: Condition of Property
Map #3: Existing Land Uses
Map #4: Future Land Uses
Map #5: Proposed Improvements
Map #6: Zoning

Appendix C: Resolutions, Notices, Minutes, and Other Attachments

Attachment #1: Timetable
Attachment #2: Opinion Letter from Village Attorney Regarding Compliance with Statutes
Attachment #3: Letter Chief Elected Official of Overlying Taxing Entities and Notice
Attachment #4: Joint Review Board Meeting Notices
Attachment #5: Joint Review Board Meeting Agendas
Attachment #6: Joint Review Board Meeting Minutes
Attachment #7: Joint Review Board Resolution Approving TID No. 5
Attachment #8: Letter and Public Hearing Notice to Property Owners within the TID
Attachment #9: Public Hearing Notice Proof of Publication
Attachment #10: Plan Commission Meeting Agendas
Attachment #11: Plan Commission Public Hearing and Meeting Minutes
Attachment #12: Plan Commission Resolution Approving TID No. 5
Attachment #13: Village Board Meeting Agenda
Attachment #14: Village Board Resolution Creating TID No. 5
Attachment #15: Village Board Meeting Minutes
Attachment #16: Blight Determination and Site Photographs

1 Introduction

TID No. 5 has been established as a blight elimination TID. It has been prepared in compliance with Wisconsin Statutes Chapter 66.1105(4)(f). The plan establishes a need for the district, the proposed improvements within the district, an estimated schedule, and an estimated budget. The plan also includes a detailed description of the Tax Increment District (TID) and boundary.

This is to be used as the official plan that guides redevelopment activities within TID No. 5. Implementation of the plan and completion of the proposed activities will require a case by case authorization by the Plan Commission and Village Board. 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. Changes in boundaries or additional project categories not identified here will require a formal amendment to the plan involving public review and Village Board approval.

Approval Process

The Village Board directed the Plan Commission to initiate planning for the creation of TID No. 5 on November 16, 2015. The initial project plan discussions were introduced at the Shorewood Hills Plan Commission meeting on January 12, 2016, when a public hearing was scheduled for February 9, 2016.

The notice for the first Joint Review Board (JRB) meeting was published on January 20, 2016. The Joint Review Board held their organizational meeting on January 27, 2016.

Public Hearing notices were published on January 26, 2016, and February 2, 2016. Notice of the TID No. 5 Public Hearing was sent to the overlying taxing jurisdictions on January 19, 2016.

As stated above, the public hearing for the TID No. 5 Project Plan and boundary was held on February 9, 2016. After the public hearing, the Plan Commission approved the TID No. 5 Project Plan and boundary and recommended it to the Village Board for adoption. This Project Plan and boundary was adopted by resolution of the Village Board on _____.

The TID No. 5 Project Plan and boundary has been reviewed and approved by a Joint Review Board as required by Wisconsin Statutes. The final meeting of the JRB was held on _____, where the JRB approved the resolution creating TID No. 5.

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. 5 in the Village of Shorewood Hills. This is to be used as the official project plan that guides redevelopment activities within the TID No. 5 boundary. Implementation of this project plan and completion of the proposed activities will require a case by case authorization by the Plan Commission and Village Board. 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 Village Board is not mandated to make expenditures described in this plan and is limited to implementing only those project cost categories identified. Changes in boundaries or additional project categories not identified here will require a formal amendment to the plan involving public review and Village Board approval.

TID History

The Village experienced greater than expected opportunities to incorporate affordable housing into several new mixed use redevelopments since the adoption of TID No. 3 and TID No. 4. To date, the Village approved zoning for mixed-use redevelopment projects containing over 350 multi-family units, of which 47 are designated as affordable housing units.

TID No. 5 is located within TID No. 4, a mixed-use TID. TID No. 4 recently completed the redevelopment of several parcels into a retail and residential development. The next phase of the project is the removal and redevelopment of the Pyare Office Building/site to include additional market rate and affordable multifamily units. However, this site is not without constraints, and several previous developments failed to achieve financing due to the large existing base value of the property and the limited remaining years in TID No. 4.

The Village of Shorewood Hills approved TID No. 5 as a blight elimination TID to remove the Pyare Office Building and facilitate the redevelopment of the site.

Inventory of Area

The area that is the subject of this plan is in the Village of Shorewood Hills, located in Dane County, WI. TID No. 5 includes one large parcel and two smaller parcels, generally known as the Pyare Office Building, located along University Avenue. The total area is 2.315 acres. See Map #1 in Appendix B for the maps of the TID No. 5 boundary.

The Village Board passed a resolution declaring TID No. 5 in need of blight elimination on March 28, 2016. The area contained within the TID No. 5 boundary (as shown in Appendix B) meets the standards for blight as defined in Wisconsin TIF and redevelopment statutes 66.1105(4)(gm)6 and 66.1337(2m)(a). Table 1 shows an inventory of property condition within TID No. 5.

Table 1: TID No.5 Property Summary

	Status	Acres	%
Parcel: 0709-173-9811-1	Blighted	2.018	87.17%
Parcel: 0709-173-9848-1	Vacant	0.087	3.76%
Parcel: 0709-173-9811-1	Vacant	0.21	9.07%
Total Real Property		2.315	100%

As is shown in Table 1, the Pyare Office Building accounts for 87.17% of the real property within the district boundary and meets the statutory definition of blight due to deterioration, dilapidation, and obsolescence, according to §66.1105(ae)(1), which describes "blighted area" as:

- *An area [] in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare."*
- *An area which is predominantly open and which consists primarily of an abandoned highway corridor, as defined in s. 66.1333 (2m) (a), or that consists of land upon which buildings or structures have been demolished and which because of obsolete platting,*

diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community

Plan for Redevelopment

Redevelopment is expected with the completion of phase II of the Lodge at Walnut Grove and will be residential in nature. The sloping of the site does not allow for efficient use of land for retail opportunities.

DRAFT

2

Proposed Public Works & Project Costs

TID No. 5 is being created to promote the redevelopment of a blighted property and to broaden the property tax base. The Village will spend funds on TID administration, TID organization, and financial incentives to promote the redevelopment of the Pyare site.

Costs directly or indirectly related to achieving the objectives of blight elimination or redevelopment are considered "project costs" and are eligible to be paid from tax increments of this tax increment district. 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. Table #2 in Section 3 summarizes total costs by category. Appendix A contains financial attachments which show the estimated timing and financing for proposed public works and TID expenditures.

General Project Cost Categories

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 and the acquisition of equipment to service the district.

The Village does not anticipate incurring costs under this category as part of this project plan.

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, stormwater management facilities, 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.

The Village does not anticipate incurring costs under this category as part of this project plan.

C. Site Development Costs

Site development activities required to make sites suitable for development including, but 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 does not anticipate incurring costs under this category as part of this project plan.

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 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.

The Village does not anticipate incurring costs under this category as part of this project plan.

E. Development Incentives

The Village may use TID No. 5 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 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 business and or developers to stimulate or enable economic development and housing development projects within TID No. 5. Funds may be provided in the form of a cash grant, forgivable loan, direct loan or loan guarantee. 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 outlined in a development agreement.

\$4,500,000 is budgeted for development incentives, as described above. This includes the total project financing since the Village anticipates entering into development agreement; therefore, the Village will not bond for these project costs.

F. Professional Services

Including, but 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.

\$70,000 is budgeted for professional services, as described above.

G. Discretionary Payments

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 other payments which are necessary or convenient to the implementation of this project plan.

The Village does not anticipate incurring costs under this category as part of this project plan.

H. Administration Costs

Administrative costs including, but 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 in planning and administering the projects and overall District. Also including any annual payments required to be paid to the Wisconsin Department of Revenue (DOR) by state law.

\$214,000 is budgeted for TID administration costs, as described above.

I. TIF Organizational Costs

Organization costs including, but 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 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.

\$18,000 is budgeted for TID organizational costs, as described above.

J. Financing Costs

Including, but not limited to, all interest paid to holders of evidence 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.

As stated above, the Village does not anticipate financing costs with this Project Plan.

The projects listed above will provide necessary facilities and support to enable and encourage the redevelopment of TID No. 5. These projects may be implemented in varying degrees in response to development needs. The cost estimates above may be adjusted for inflation at the time they are incurred.

3 Detailed Project Costs

Table #2 describes the detailed project costs for project categories anticipated to be implemented during the expenditure period of TID No. 5. This format follows Department 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 2016 prices and are preliminary estimates. The Village reserves the right to revise these cost estimates to reflect unforeseen circumstances between 2016 and the time of construction or implementation, such as a higher than anticipated inflation rate or financing costs that vary from projections due to market conditions at the time of a bond issuance. The Village could 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 part of the Financial Attachments in Appendix A.

The Village may fund specific project cost items shown below in greater or lesser amounts in response to opportunities that will help the Village accomplish the purposes of TID No. 5. 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’s expenditure period.

Table #2: Village of Shorewood Hills TID No. 5 Planned Project Costs

Proposed Improvements	Total Cost	Others' Share	TID Share
A. Capital Costs	\$0	\$0	\$0
B. Infrastructure	\$0	\$0	\$0
C. Site Development Costs	\$0	\$0	\$0
D. Land Acquisition & Assembly	\$0	\$0	\$0
E. Development Incentives	\$4,500,000	\$0	\$4,500,000
F. Professional Services	\$70,000	\$0	\$70,000
G. Discretionary Payments	\$0	\$0	\$0
H. Administration Costs	\$214,000	\$0	\$214,000
I. TIF Organizational Costs	\$18,000	\$0	\$18,000
Inflation	\$0	\$0	\$0
Subtotal	\$4,802,000	\$0	\$4,802,000
J. Financing Costs <i>(less Capitalized Interest)</i>			
Capitalized Interest			
Total TID Expenditure			\$4,802,000

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.

4

Economic Feasibility

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.
- D. The expected TID revenues.
- E. The expected TID cash flow (the *timing* of the revenue).

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 about three percent (Source: [Engineering News-Record Construction Cost Index History](http://enr.construction.com/economics/) - <http://enr.construction.com/economics/>). Inflation for purposes of projecting future project costs is assumed to be three percent. The Village assumes a conservative 1.25 percent property appreciation rate.

B. Increase in Property Value

The formation of TID No. 5 will enable the Village to provide developer incentives that will stimulate redevelopment of the Pyare Office Building/site. The increment value of the planned redevelopment is anticipated to be \$7,129,000.

C. Full Value Tax Rate

The Village full value tax rate has fluctuated over the past few years but has averaged near 0.022; therefore, for projecting the mill rate for the remainder of the district's life, a mill rate of 0.022 will remain constant throughout the life of the TID.

D. TIF Revenues

A projected construction increment of approximately \$7,129,000 is expected over the life of TID No. 5. The projected TIF Revenue from TID No. 5 is shown in the Tax Increment Proforma in Attachment #4 of Appendix A. The total projected 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 of Appendix A.

E. Cash Flow

Another consideration regarding the adequacy of TID revenues toward paying TID project costs is the relative timing of revenue and expenditures or cash flow. There are sufficient TID revenues over the life of the TID to pay all costs. Also, there are sufficient TID revenues in each year to pay all costs. The Village may borrow 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 of Appendix A summarizes the assumed cash flow.

5

Financing Methods & Timetable

A. Financing Methods

An important aspect to consider in assessing the economic feasibility of TID No. 5 is the ability of the Village to finance desired projects to encourage development. Financial resources available to the Village include general obligation notes and bonds, revenue bonds, special assessments, and federal and state community development programs.

State law limits the Village's General obligations to five percent of the equalized property value. As of December 31, 2014, the Village had total debt capacity of approximately \$27.5 million and approximately \$16.1 million in existing General Obligation debt. Therefore, the current remaining debt capacity is about \$11.5 million. There is approximately \$5.1 million in anticipated project costs within the TID; however, not all anticipated project costs will need to be borrowed. For example, TID administration costs can be paid out of Village operating funds and reimbursed from the TID when funds are available. Other expenses can be paid out of TID cash flow as projects are constructed, assessed, and begin paying property taxes. The Village can finance some project costs through direct debt or bond instruments, utilizing the general revenue capacity of the Village to secure those instruments. There are other mechanisms available to pay for some project costs that would not count against the Village constitutional debt capacity. "Developer-Financed TIF" is one of these options, where the developer borrows funds that the Village would have borrowed under a traditional TIF and is then reimbursed by the Village. Another option is for the Village to have a Redevelopment Authority or The Village may also utilize revenue bonds repaid from fees for services charged by the Village. Common examples of such revenue are charges for sewer and water usage. There is no statutory limit on the number of revenue bonds that can be issued; however, the Village 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.

B. Timetable

The maximum life of the TID is twenty-eight years. Recent changes to the TIF laws state the period during which a tax increment may be allocated under state statutes shall be increased by one year if the district's project plan is adopted after September 30 and before May 15. Therefore, the Village of Shorewood Hills has a maximum of twenty-three years, until 2038 to incur TIF expenses for the projects outlined in this plan. The Village Board 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.

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

C. Financing Methods and Costs to be Incurred

Financing for the projects shown above is estimated to occur as shown in the Financing Summary and the Debt Service plans for the borrowing shown in Attachments #2 and #3 in Appendix B. The actual number, timing, and amounts of debt issues will be determined by the Village 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.

6 Overlying Taxing Jurisdictions

Taxing Districts overlying TID #3 in the Village of Shorewood Hills include Dane County, the Madison Metropolitan School District, Madison Area 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 2015. Total TIF Increment over the life of the district is taken by the proportionate share of each taxing jurisdiction. An analysis of the impact on overlying taxing districts is included as Attachment #6 in Appendix B.

The main redevelopment of the Pyare Office Building/site probably could 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 Shorewood Hills that is experiencing a lack of property maintenance and other blighting influences, and to support growth in the Village's tax base. All taxing jurisdictions will benefit from the increased property values, improved public safety, and enhanced community vitality which will result from the projects planned in TID No. 5.

7 "12% Test"

The Department of Revenue shall exclude any parcel in a newly created tax incremental district that is located in an existing district when determining compliance with the 12 percent limit (66.1105(10)(c)). Since TID No. 5 is completely located within TID No. 4, the "12%" test does not apply to this TID creation.

8 Changes to Maps, Plans, Ordinances

No changes are proposed in the Comprehensive Plan or Building Codes. The Village does not have an official map. The Village's Zoning Ordinance and other Village Ordinances are required to implement this project plan. Development proposals may require changes in zoning designation consistent with the intent of this Plan. Map #5 in Appendix B shows existing zoning within the TID boundary, as well as potential changes to zoning designations. Maps #2 and #3 show existing and proposed land use, respectively.

9 Relocation

No persons are expected to be displaced or relocated as a result of proposed projects in this TID Plan; however, if relocation were to become necessary in the future, the following is the method proposed by the Village for 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 displaced persons will be provided an informational pamphlet prepared by the State of Wisconsin. 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 Village will file a relocation plan with the State of Wisconsin and shall keep records as required in Wisconsin Statutes 32.27. The Village 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.

10 Promoting Orderly Development

TID No. 5 was created to:

- Encourage the redevelopment of obsolete buildings and underutilized property in a highly visible location in the Village.
- Help promote mixed-use development in the Village, rather than on vacant sites elsewhere in Dane County.
- Promote the public health, safety, and welfare by making improvements to Village infrastructure.
- Promote the development of the tax base of the Village.

11 District Boundaries

Before adopting the TID No. 5, the Plan Commission and Village Board considered the following criteria to act as guidelines for their work:

1. The equalized value of taxable property in 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 Village.
2. A minimum of 50 percent of the TID must be a blighted area.
3. All lands within the TID are contiguous.

Village of Shorewood Hills TID No. 5 Boundary Description

TID No. 5 hereby includes the following area:

Part of the Southeast Quarter of the Southwest Quarter of Section 17, Township 07 North, Range 09 East, Village of Shorewood Hills, Dane County, Wisconsin, more fully described as follows: Commencing at the South quarter corner of said Section 17; thence North 89 degrees 25 minutes 31 seconds West, along the South line of the Southwest Quarter of said Section 17, 393.38 feet; thence North 00 degrees 34 minutes 29 seconds East, along a random line, 33.00 feet to a point on the northerly right-of-way line of University Avenue and the point of beginning of this description; thence North 89 degrees 24 minutes 27 seconds West, along the Northerly right-of-way of said University Avenue, 124.86 feet; thence North 00 degrees 13 minutes 11 seconds East, 480.35 feet to a point on the Southerly right-of-way line of a Wisconsin Department of Transportation Railroad right-of-way and a point of non-tangential curvature; thence Northeasterly, along the Southerly right-of-way of said Railroad, 523.59 feet along the arc of a curve to the right through a central angle of 05 degrees 16 minutes 01 second, a radius of 5695.65 feet and a chord bearing North 81 degrees 36 minutes 55 seconds East, 523.40 feet to a point on the North-South quarter line of said Section 17; thence South 00 degrees 10 minutes 12 seconds West, along said North-South quarter line, 92.54 feet to a point being the Northeasterly platted boundary corner of Lot 2, Certified Survey Map Number 13476, as recorded in Volume 87 of C.S.M.'s, on pages 323-325, as Document Number 4972334; thence South 82 degrees 41 minutes 00 seconds West, along the Northerly platted boundary line of said Lot 2, C.S.M. Number 13476, a distance of 208.56 feet; thence South 81 degrees 24 minutes 15 seconds West, along said Northerly platted boundary line of said Lot 2, C.S.M. Number 13476, a distance of 187.94 feet to the Northwest corner of said C.S.M. Number 13476; thence South 00 degrees 15 minutes 17 seconds West, along the West line of said C.S.M. Number 13476 and its Southerly extension thereof, 410.77 feet to the point of beginning. Excluding all wetlands.

A

Financials

Attachment #1: Planned Project Costs
Attachment #2: Financing Summary (N/A)
Attachment #3: Debt Service Plan (N/A)
Attachment #4: Tax Increment Pro Forma
Attachment #5: Tax Increment Cash Flow
Attachment #6: Analysis of Impact to Overlying Taxing Jurisdictions
Attachment #7: Increment Projections

DRAFT

Attachment #1 - Planned Project Costs
Village of Shorewood Hills
TID No.5
3/7/2016

Type of Expenditure	Amount	% Paid By		Costs Allocated to Project
		Project	Other	
A. Capital Improvements				
Total	\$ -	0%	0%	\$ -
B. Infrastructure				
Total	\$ -	0%	0%	\$ -
C. Site Development, Redevelopment, and Infrastructure Costs				
Total	\$ -	0%	0%	\$ -
D. Land Acquisition & Assembly				
Total	\$ -	0%	0%	\$ -
E. Development Incentives				
(Including Developer "Pay-Go" Financing)	\$ 4,500,000	100%	0%	\$ 4,500,000
Total	\$ 4,500,000	100%	0%	\$ 4,500,000
F. Professional Services (Legal)				
Total	\$ 70,000	0%	0%	\$ 70,000
G. Discretionary Payments				
Total	\$ -	0%	0%	\$ -
H. Administration Costs				
Village Staff	\$ 168,000	100%	0%	\$ 168,000
Payments to DOR (\$150/Year)	\$ 4,000	100%	0%	\$ 4,000
Audits	\$ 42,000	100%	0%	\$ 42,000
Total Administration Costs	\$ 214,000	100%	0%	\$ 214,000
E. Organizational Costs				
Department of Revenue Submittal Fee	\$ 1,000	100%	0%	\$ 1,000
Professional Fees	\$ 11,000	100%	0%	\$ 11,000
City Staff & Publishing	\$ 6,000	100%	0%	\$ 6,000
Total Organization Costs	\$ 18,000	100%	0%	\$ 18,000
F Inflation				
Total	\$ -	0%	0%	\$ -
Total Project Costs	\$ 4,802,000	100%	0%	\$ 4,802,000
I. Financing Costs				
Interest, Fin. Fees, Less Cap. Interest	\$ 0			\$ -
Plus Capitalized Interest	\$ 0			\$ 0
Total Financing Costs				\$ -
TOTAL TID EXPENDITURE				\$ 4,802,000

**Attachment #4- Tax Increment ProForma
Village of Shorewood Hills
TID No.5
3/7/2016**

Assumptions	
Base Value	\$ 3,751,000
Tax Rate (effective)	0.02200 For County, Village, Technical College, and School District
Property Appreciation Rate	1.25% For Existing Construction
Annual Change in Tax Rate	0.00%
Construction Inflation Rate	3.00% For New Construction After 2016

Year	Previous Valuation	Inflation Increment	TIF Increment		Total Valuation	Cumulative Increment	TIF Tax Rate*	TIF Revenue
			Construction	Land				
2016	\$3,751,000	\$0	\$ 4,277,400	\$0	\$8,028,400	\$4,277,400	0.02200	\$0
2017	\$8,028,400	\$100,355	\$ 2,851,600	\$0	\$10,980,355	\$7,229,355	0.02200	\$0
2018	\$10,980,355	\$137,254	\$0	\$0	\$11,117,609	\$7,366,609	0.02200	\$94,103
2019	\$11,117,609	\$138,970	\$0	\$0	\$11,256,580	\$7,505,580	0.02200	\$159,046
2020	\$11,256,580	\$140,707	\$0	\$0	\$11,397,287	\$7,646,287	0.02200	\$162,065
2021	\$11,397,287	\$142,466	\$0	\$0	\$11,539,753	\$7,788,753	0.02200	\$165,123
2022	\$11,539,753	\$144,247	\$0	\$0	\$11,684,000	\$7,933,000	0.02200	\$168,218
2023	\$11,684,000	\$146,050	\$0	\$0	\$11,830,050	\$8,079,050	0.02200	\$171,353
2024	\$11,830,050	\$147,876	\$0	\$0	\$11,977,925	\$8,226,925	0.02200	\$174,526
2025	\$11,977,925	\$149,724	\$0	\$0	\$12,127,649	\$8,376,649	0.02200	\$177,739
2026	\$12,127,649	\$151,596	\$0	\$0	\$12,279,245	\$8,528,245	0.02200	\$180,992
2027	\$12,279,245	\$153,491	\$0	\$0	\$12,432,736	\$8,681,736	0.02200	\$184,286
2028	\$12,432,736	\$155,409	\$0	\$0	\$12,588,145	\$8,837,145	0.02200	\$187,621
2029	\$12,588,145	\$157,352	\$0	\$0	\$12,745,497	\$8,994,497	0.02200	\$190,998
2030	\$12,745,497	\$159,319	\$0	\$0	\$12,904,815	\$9,153,815	0.02200	\$194,417
2031	\$12,904,815	\$161,310	\$0	\$0	\$13,066,126	\$9,315,126	0.02200	\$197,879
2032	\$13,066,126	\$163,327	\$0	\$0	\$13,229,452	\$9,478,452	0.02200	\$201,384
2033	\$13,229,452	\$165,368	\$0	\$0	\$13,394,820	\$9,643,820	0.02200	\$204,933
2034	\$13,394,820	\$167,435	\$0	\$0	\$13,562,256	\$9,811,256	0.02200	\$208,526
2035	\$13,562,256	\$169,528	\$0	\$0	\$13,731,784	\$9,980,784	0.02200	\$212,164
2036	\$13,731,784	\$171,647	\$0	\$0	\$13,903,431	\$10,152,431	0.02200	\$215,848
2037	\$13,903,431	\$173,793	\$0	\$0	\$14,077,224	\$10,326,224	0.02200	\$219,577
2038	\$14,077,224	\$175,965	\$0	\$0	\$14,253,189	\$10,502,189	0.02200	\$223,353
2039	\$14,253,189	\$178,165	\$0	\$0	\$14,431,354	\$10,680,354	0.02200	\$227,177
2040	\$14,431,354	\$180,392	\$0	\$0	\$14,611,746	\$10,860,746	0.02200	\$231,048
2041	\$14,611,746	\$182,647	\$0	\$0	\$14,794,393	\$11,043,393	0.02200	\$234,968
2042	\$14,794,393	\$184,930	\$0	\$0	\$14,979,323	\$11,228,323	0.02200	\$238,936
2043	\$14,979,323	\$187,242	\$0	\$0	\$15,166,564	\$11,415,564	0.02200	\$242,955
2044	\$15,166,564	\$189,582	\$0	\$0	\$15,356,146	\$11,605,146	0.02200	\$247,023
Total		\$4,476,146	\$7,129,000	\$0				\$5,316,259

Assumes: Construction commences in spring of 2016.

Attachment #5 - Tax Increment Cash Flow
Village of Shorewood Hills
TID No.5
3/7/2016

Year	Beginning Balance	Revenues					Expenses				Annual Surplus (Deficit)	Balance After Surplus to Principal
		Capital Interest Debt Reserve	TIF Revenues	Interest Income	Loans From GF Other	Total Revenues	Developer Debt Service	TID Origination	Historic Admin Payback	Total Annual Expenses		
2016	0	0	0	0	28,000	28,000	0	18,000	0	10,000	0	0
2017	0	0	0	0	10,000	10,000	0	0	0	10,000	0	0
2018	0	0	94,103	0	10,000	104,103	0	0	0	10,000	94,103	94,103
2019	94,103	0	159,046	941	0	159,987	124,500	0	0	10,000	25,487	119,590
2020	119,590	0	162,065	1,196	0	163,261	124,500	0	0	10,000	28,761	148,351
2021	148,351	0	165,123	1,484	0	166,606	184,601	0	0	10,000	(27,994)	120,357
2022	120,357	0	168,218	1,204	0	169,422	184,601	0	0	10,000	(25,179)	95,178
2023	95,178	0	171,353	952	0	172,304	184,601	0	0	10,000	(22,296)	72,881
2024	72,881	0	174,526	729	0	175,255	184,601	0	0	10,000	(19,346)	53,535
2025	53,535	0	177,739	535	0	178,274	184,601	0	0	10,000	(16,326)	37,209
2026	37,209	0	180,992	372	0	181,364	184,601	0	0	10,000	(13,236)	23,973
2027	23,973	0	184,286	240	0	184,526	184,601	0	0	10,000	(10,075)	13,898
2028	13,898	0	187,621	139	0	187,760	184,601	0	0	10,000	(6,840)	7,058
2029	7,058	0	190,998	71	0	191,069	184,601	0	0	10,000	(3,532)	3,526
2030	3,526	0	194,417	35	0	194,452	184,601	0	0	10,000	(148)	3,378
2031	3,378	0	197,879	34	0	197,913	184,601	0	0	10,000	3,312	6,690
2032	6,690	0	204,933	67	0	205,000	184,601	0	0	10,000	10,399	17,089
2033	17,089	0	208,526	313	0	208,839	184,601	0	0	10,000	14,239	31,327
2034	31,327	0	212,164	445	0	212,609	184,601	0	4,800	10,000	13,209	44,536
2035	44,536	0	215,848	616	0	216,464	184,601	0	4,800	10,000	17,063	61,599
2036	61,599	0	219,577	826	0	220,403	184,601	0	4,800	10,000	21,003	82,602
2037	82,602	0	223,353	1,076	0	224,430	184,601	0	4,800	10,000	25,029	107,631
2038	107,631	0	227,177	863	0	228,040	184,601	0	4,800	60,000	(21,361)	86,270
2039	86,270	0	231,048	1,292	0	232,340	184,601	0	4,800	0	42,940	129,209
2040	129,209	0	234,968	1,765	0	236,733	184,601	0	4,800	0	47,333	176,542
2041	176,542	0	238,936	2,284	0	241,220	184,601	0	4,800	0	51,819	228,361
2042	228,361	0	242,955	2,848	0	245,802	184,601	0	4,800	0	56,402	284,763
2043	284,763	0	247,023	3,458	0	250,482	184,601	0	4,800	0	61,081	345,844
2044	345,844	0	247,023	5,989	0	253,012	0	0	0	0	253,012	598,855
Total		0	5,361,898	29,773	48,000	5,439,671	4,494,816	18,000	48,000	280,000		

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

Other income includes payments from the Village General Fund to be repaid later in the TID life.

1.00% = Assumed Investment Rate For Interest Income

**Attachment #6 - Analysis of Impact on Overlying Jurisdictions
Over Maximum Life of TID
Village of Shorewood Hills
TID No.5
3/7/2016**

Taxing Jurisdiction	% of Mill Rate by Jurisdiction	Annual Taxes Collected on Base Value Distributed to Taxing Jurisdictions	Total Taxes Captured by TID Not Distributed to Jurisdictions	Annual Taxes Collected After TID	Increase in Annual Tax Collections After TID
School District	52.7%	\$43,467	\$2,976,753	\$180,173	\$136,706
Tech. College	4.1%	\$3,398	\$232,705	\$14,085	\$10,687
County	15.5%	\$12,775	\$874,875	\$52,953	\$40,178
Local	21.8%	\$17,989	\$1,231,926	\$74,564	\$56,576
Other	5.9%	\$4,893		\$20,283	\$15,389
Total	100.0%	\$77,629	\$5,316,259	\$321,776	\$244,147

Percentages based on June 15, 2015 WI Town, Village, and City Tax Report

* "Other" includes primarily State taxes, which do not go to TID.

**Attachment #7: Increment Projections
Village of Shorewood Hills
TID No.5**

\$

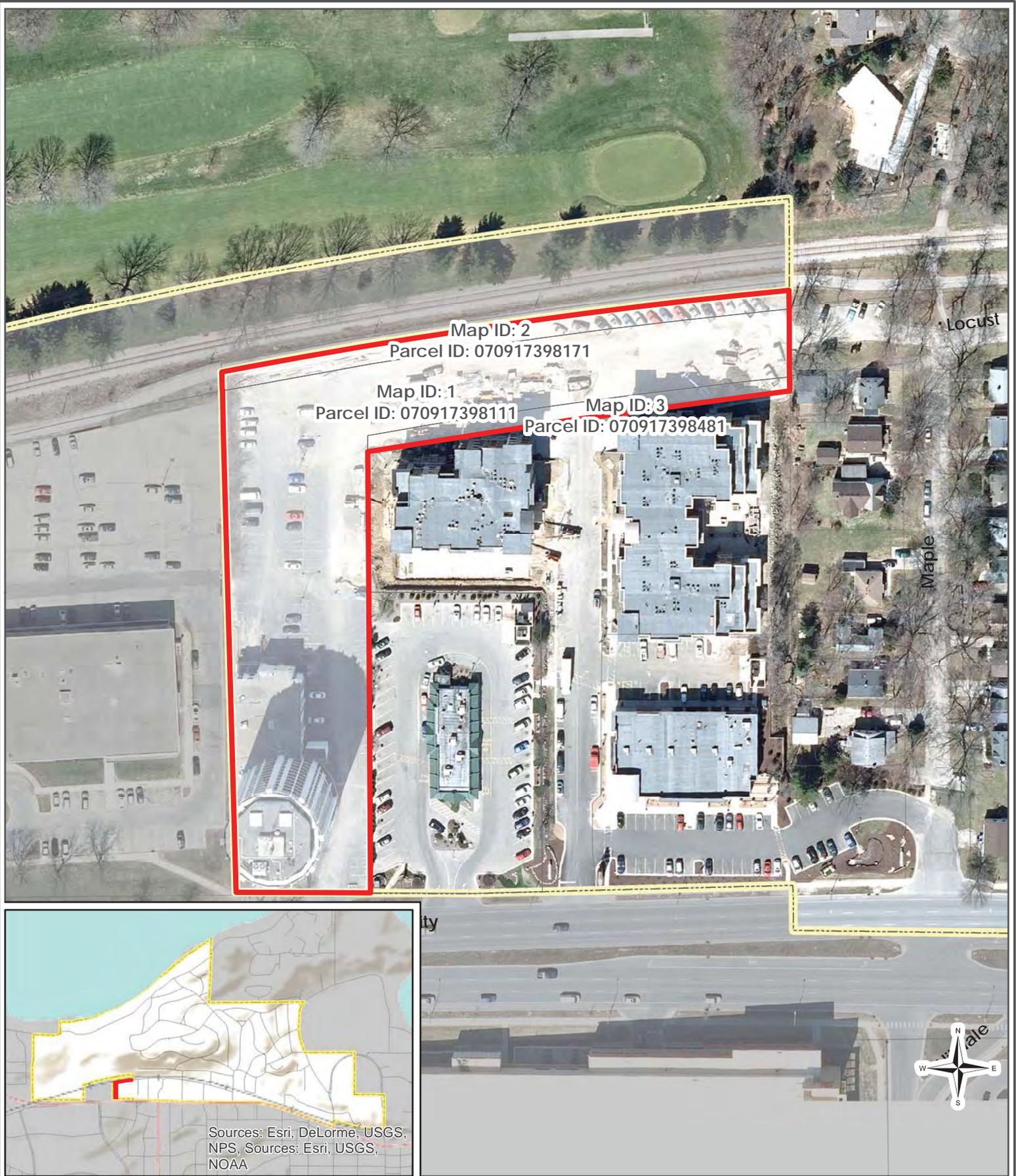
7,129,000

Year	Yearly Total	PIN, Current Improvement Value			
		Map ID 1			
		\$ 3,750,000			
2016	\$ 4,277,400	\$ 4,277,400			
2017	\$ 2,851,600	\$ 2,851,600			
2018	\$ -				
2019	\$ -				
2020	\$ -				
2021	\$ -				
2022	\$ -				
2023	\$ -				
2024	\$ -				
2025	\$ -				
2026	\$ -				
2027	\$ -				
2028	\$ -				
2029	\$ -				
2030	\$ -				
2031	\$ -				
2032	\$ -				
2033	\$ -				
2034	\$ -				
2035	\$ -				
2036	\$ -				
2037	\$ -				
2038	\$ -				
2039	\$ -				
2040	\$ -				
2041	\$ -				
2042	\$ -				
2043	\$ -				
\$ 7,129,000					

B Parcel List & Maps

- Map #1: District Boundary and Parcels
- Map #2: Condition of Property
- Map #3: Existing Land Uses
- Map #4: Future Land Uses
- Map #5: Proposed Improvements
- Map #6: Zoning

DRAFT



Map 1- Boundary and Parcels

Village of Shorewood Hills

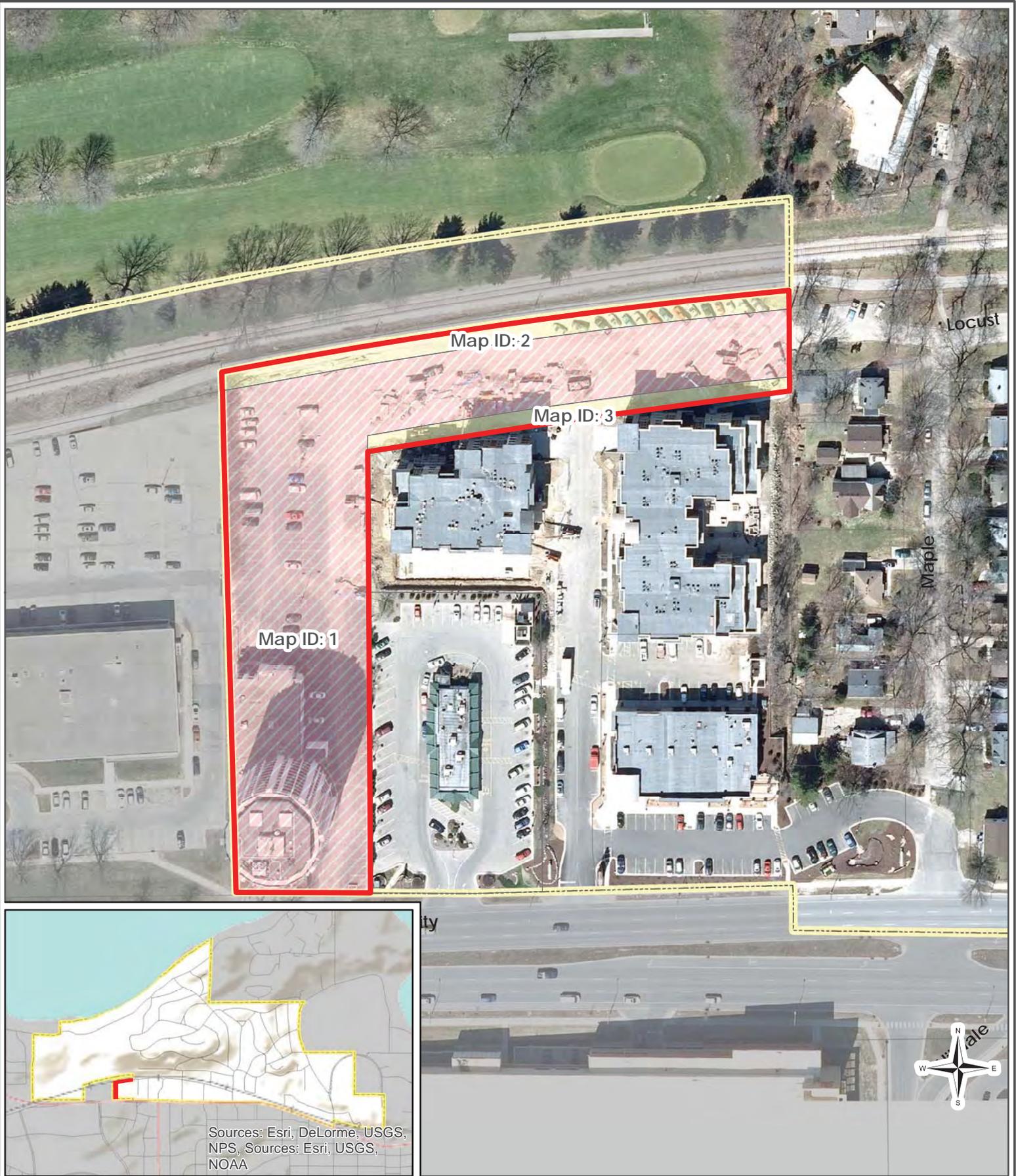


Village Boundary 
TID 5 Boundary 

vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530



Map 2 - Condition of Property

Village of Shorewood Hills

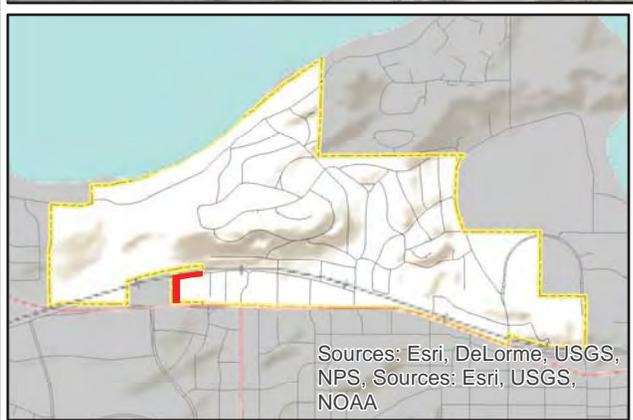
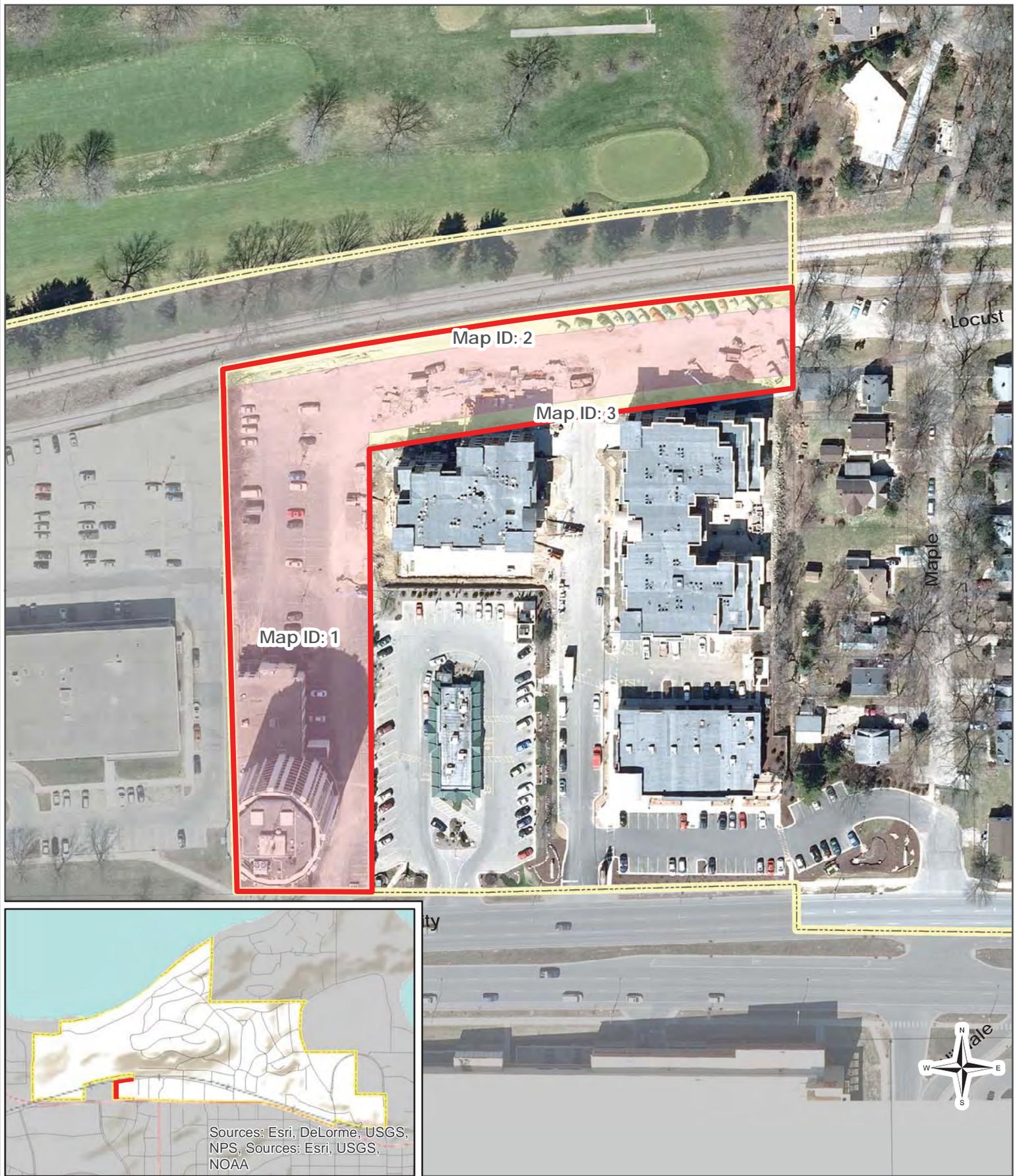


Blighted  Village Boundary 
 Vacant  TID 5 Boundary 

vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
 999 Fourier Drive, Suite 201, Madison, WI 53717
 Phone: (608) 826-0532 Fax: (608) 826-0530



Map 3 - Existing Land Uses

Village of Shorewood Hills

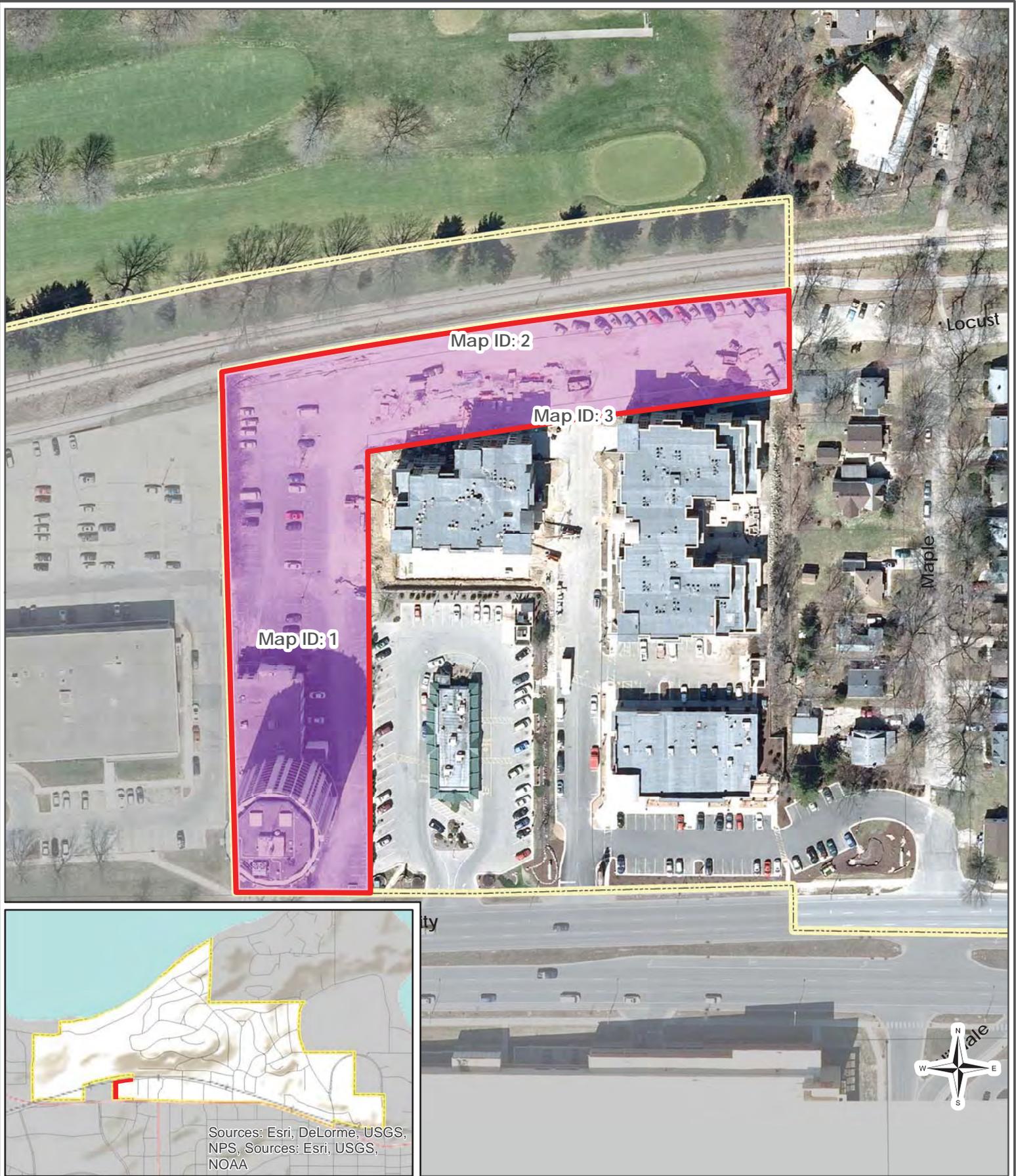


- Office - Vacant Village Boundary
- Vacant TID 5 Boundary

vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530



Map 4 - Future Land Uses

Village of Shorewood Hills

Mixed Use



Village Boundary



TID 5 Boundary

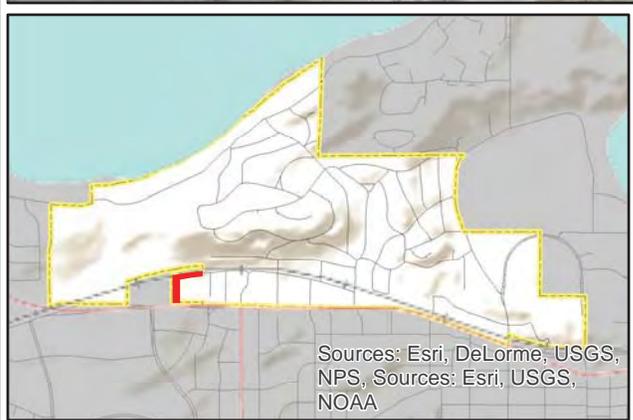
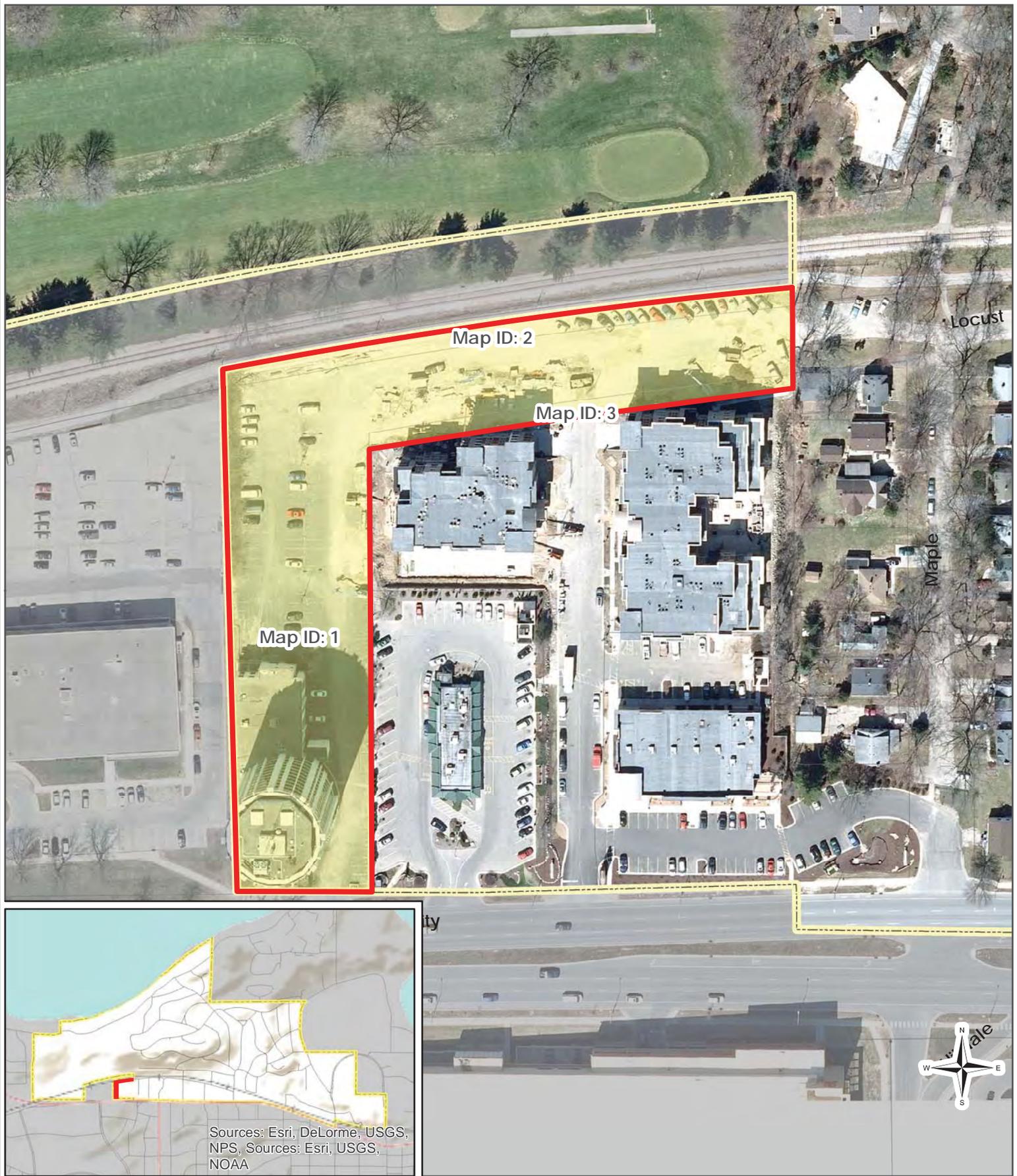


vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530





Sources: Esri, DeLorme, USGS, NPS, Sources: Esri, USGS, NOAA

Map 5 - Proposed Improvements

Village of Shorewood Hills TID 5 Boundary

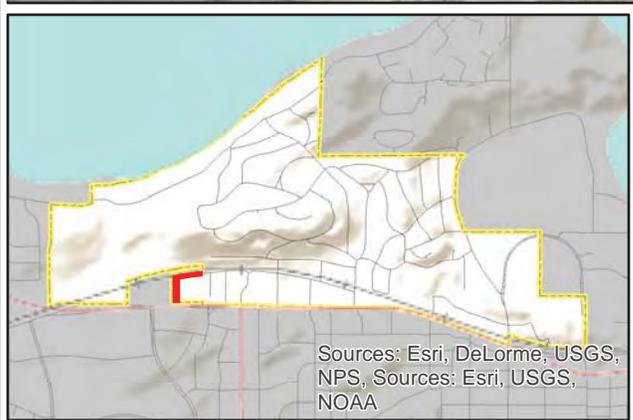
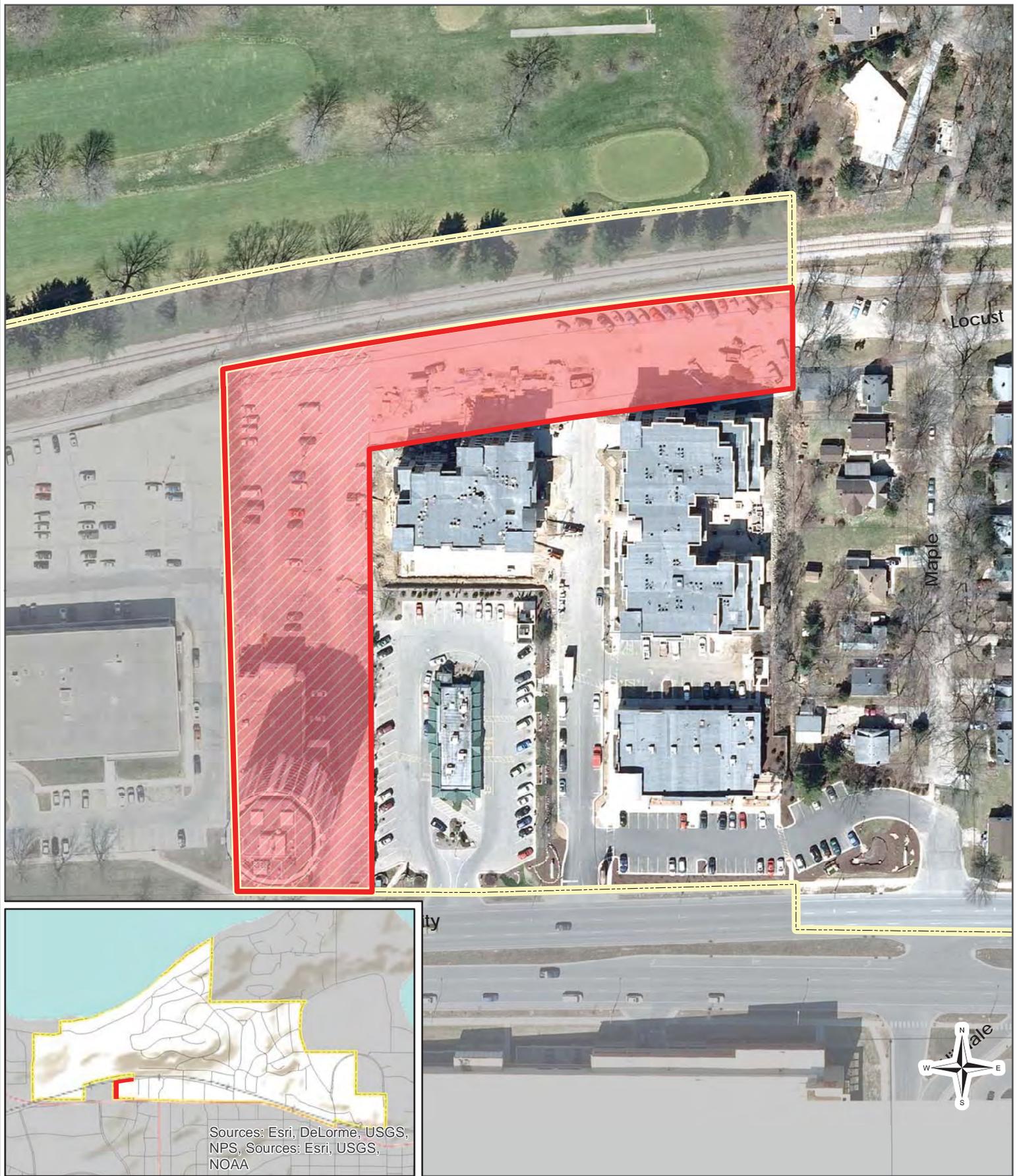


Village Boundary
 Development Incentives

vierbicher
 planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
 999 Fourier Drive, Suite 201, Madison, WI 53717
 Phone: (608) 826-0532 Fax: (608) 826-0530



Map 6 - Zoning

Village of Shorewood Hills



C1 Village Commercial District



Village Boundary



C2 Limited Commercial District



TID 5 Boundary



vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530

C**Resolutions, Notices, Minutes**

- Attachment #1: Timetable
- Attachment #2: Opinion Letter from Village Attorney Regarding Compliance with Statutes
- Attachment #3: Letter Chief Elected Official of Overlying Taxing Entities and Notice
- Attachment #4: Joint Review Board Meeting Notices
- Attachment #5: Joint Review Board Meeting Agendas
- Attachment #6: Joint Review Board Meeting Minutes
- Attachment #7: Joint Review Board Resolution Approving TID No. 5
- Attachment #8: Letter and Public Hearing Notice to Property Owners within the TID
- Attachment #9: Public Hearing Notice Proof of Publication
- Attachment #10: Plan Commission Meeting Agendas
- Attachment #11: Plan Commission Public Hearing and Meeting Minutes
- Attachment #12: Plan Commission Resolution Approving TID No. 5
- Attachment #13: Village Board Meeting Agenda
- Attachment #14: Village Board Resolution Creating TID No. 5
- Attachment #15: Village Board Meeting Minutes
- Attachment #16: Blight Determination and Site Photographs

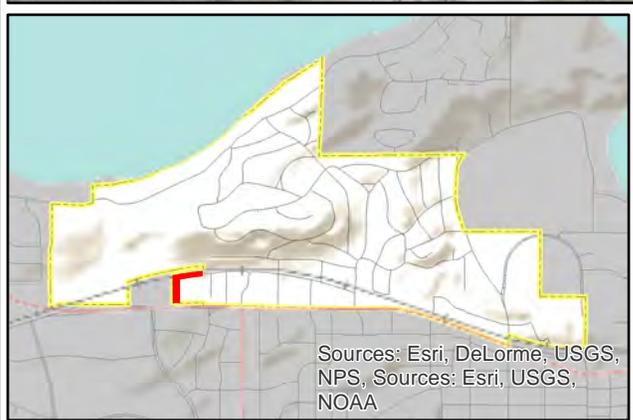
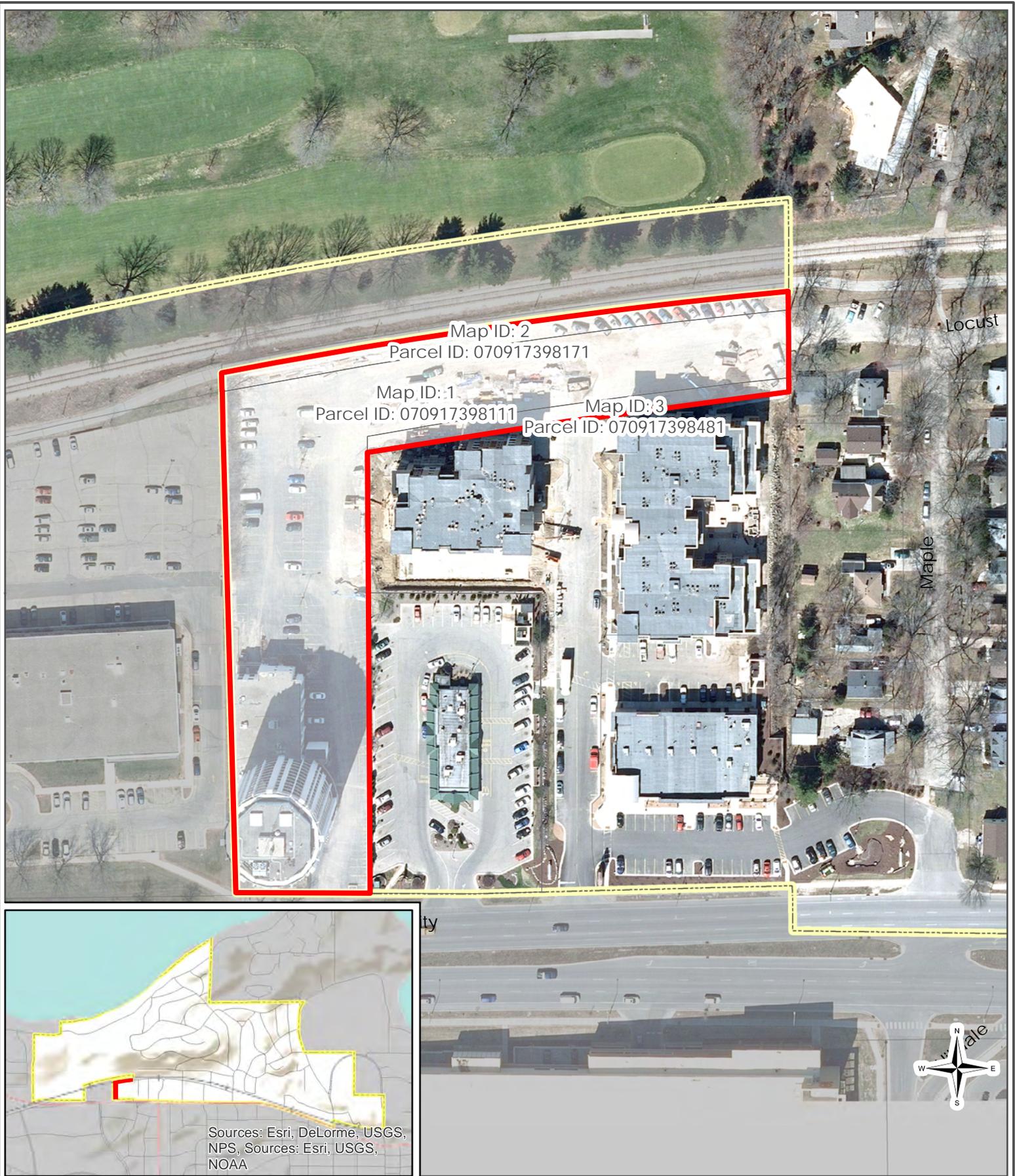


Exhibit B - Boundary and Parcels

Village of Shorewood Hills



Village Boundary 
 TID 5 Boundary 

vierbicher
 planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
 999 Fourier Drive, Suite 201, Madison, WI 53717
 Phone: (608) 826-0532 Fax: (608) 826-0530



February 2, 2016

Mark L. Sundquist, Village President
C/O Karl Frantz, Village Administrator
810 Shorewood Boulevard
Madison, WI 53705-2115

Re: Blight Determination for TID No. 5

Dear President Sundquist:

As you know, Vierbicher Associates, Inc. is assisting with the preparation of the creation of Tax Increment District (TID) No. 5 work plan and to evaluate the identified parcels and determine whether conditions exist that meet the statutory definition of "blighted area" under §66.1105(2)(a). In addition to visiting the sites in question, supporting documents were reviewed, including:

- Maps and aerial photos
- Property descriptions and parcel boundaries
- Assessment information
- Photos of site improvements
- DNR BRRTS database on environmental contamination

This letter summarizes our findings of conditions within the redevelopment area boundaries as they relate to the statutory definition of "blighted area" for the purpose of implementing projects under §66.1105.

Definition of Blighted Area

Wisconsin's Blighted Area Law defines a Blighted Area under Wisconsin Statutes, Section §66.1105(2)(a) as follows:

a. An area, including a slum area, in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.

b. An area which is predominantly open and which consists primarily of an abandoned highway corridor, as defined in s. 66.1333 (2m) (a), or that consists of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.

In all cases, the local legislative body determines whether property conditions meet the statutory definition of a "blighted area."

Description of Area

The areas in question are located on University Avenue in the Village of Shorewood Hills (see Exhibit A map).

Finding of Blight

A preliminary site visit, conducted on January 15, 2016, reviewed the three subject parcels and found that Map ID 1 (Parcel ID: 070917398111) is blighted, and Map IDs 2 & 3 (Parcel ID: 070917398171 and Parcel ID: 070917398481) are vacant and blighted. All three properties suffer from lack of upkeep and investment, leading to dilapidation and deterioration of building and site improvements. General site conditions that are present throughout the properties include:

- Deteriorating facades are visible from both the public street and adjoining properties.
- Underutilization of property, including building vacancies, underutilized space, and vacant parcels, all of which create gaps in the development pattern of the Village, threaten the economic viability and impair the sound growth of the community while increasing the potential for crime.
- Inadequate outdoor storage and/or screening. Accumulated junk was visible on several properties and lack of adequate storage space or screening for dumpsters and similar containers.

The following documentation exists to support the following findings of blight for 100% of the real property within the total TID area, including the proposed expansion area:

- The condition, character, and underutilization of structures, buildings, or site improvements result in conditions that are detrimental to public health and safety, conducive to crime and juvenile delinquency, and constitute an economic and social liability.

The lack of property maintenance, building upkeep in an area, and high levels of vacancy can contribute to a continuing downward spiral of disinvestment. Building owners who had maintained their properties begin to defer maintenance as they see the properties around them deteriorate. Leaving maintenance issues and blighting influences unaddressed leads to increased vandalism and crime, and can spread beyond the site to surrounding areas.

A map of properties which have been determined to meet the statutory definition of contributing to a "blighted area" is included as Exhibit A to this letter. Site photos of properties that meet the definition of blight are included as Exhibit B to this letter.

Conclusion

It is my opinion that conditions DO exist in the subject area to justify a finding of blight in accordance with standards described in the TIF law under Wisconsin Statutes §66.1105. The findings illustrate more than 50% of the subject area inside the proposed expand TID No. 5 boundary would meet the statutory definition of blight.

In order to remove blighting influences, encourage private investment, and promote the orderly development of the Village, Village Board, and Plan Commission are justified in exercising their powers under Wisconsin Statutes.

Sincerely,



Daniel J Lindstrom, AICP

Attachments: Exhibit A: District Boundary and Property Conditions Maps
Exhibit B: Property Condition Photos

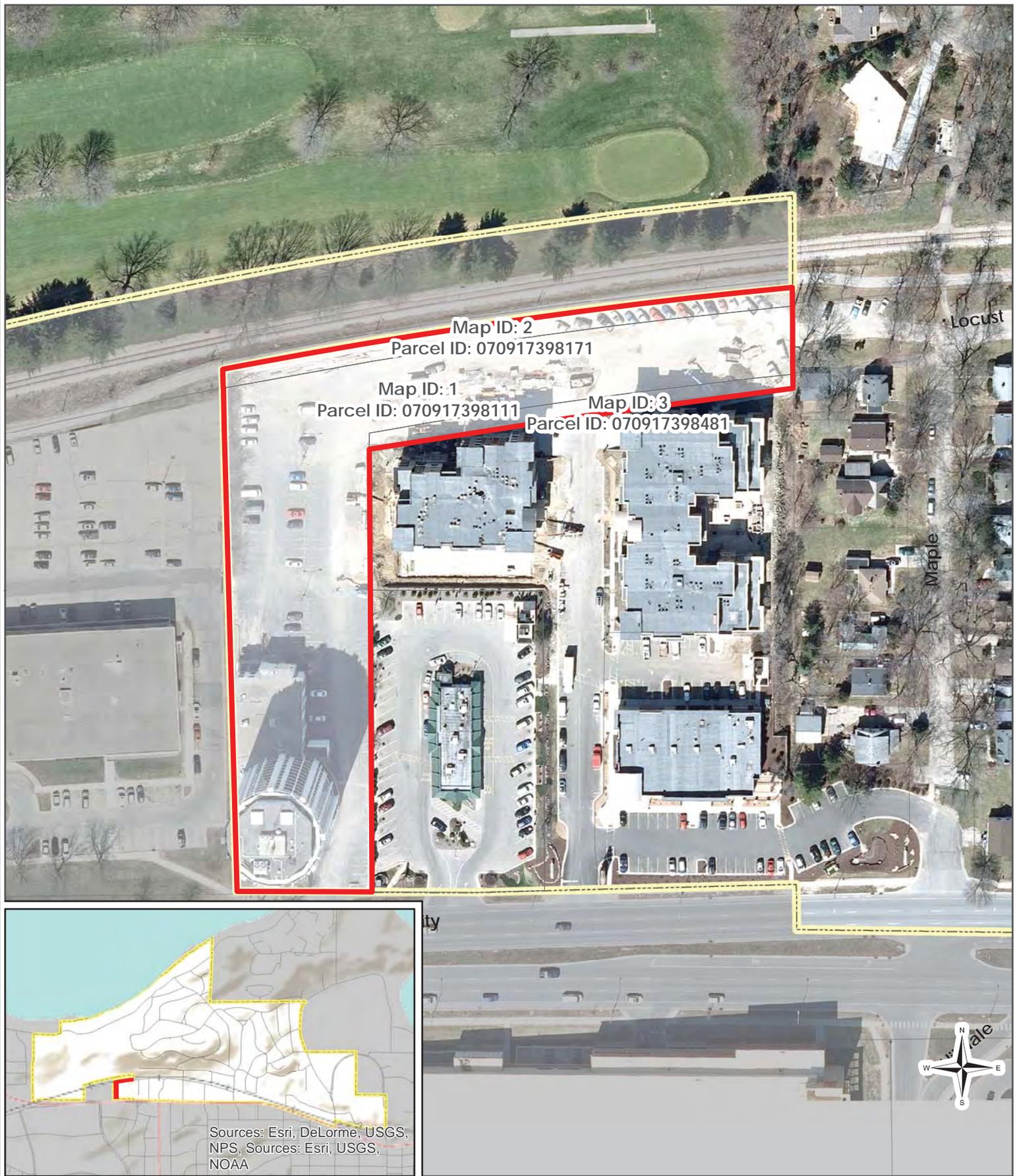


Exhibit A- Boundary and Parcels

Village of Shorewood Hills

Village Boundary



TID 5 Boundary



vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530

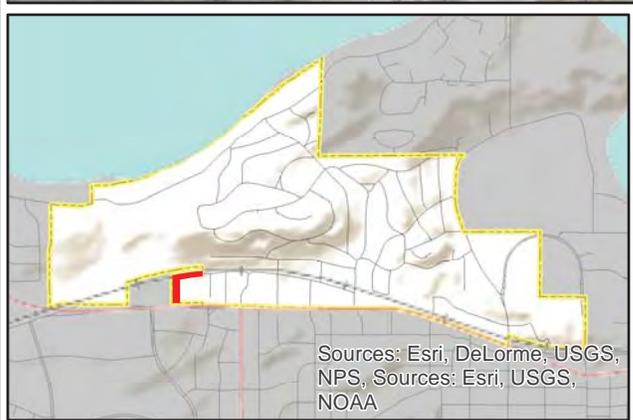
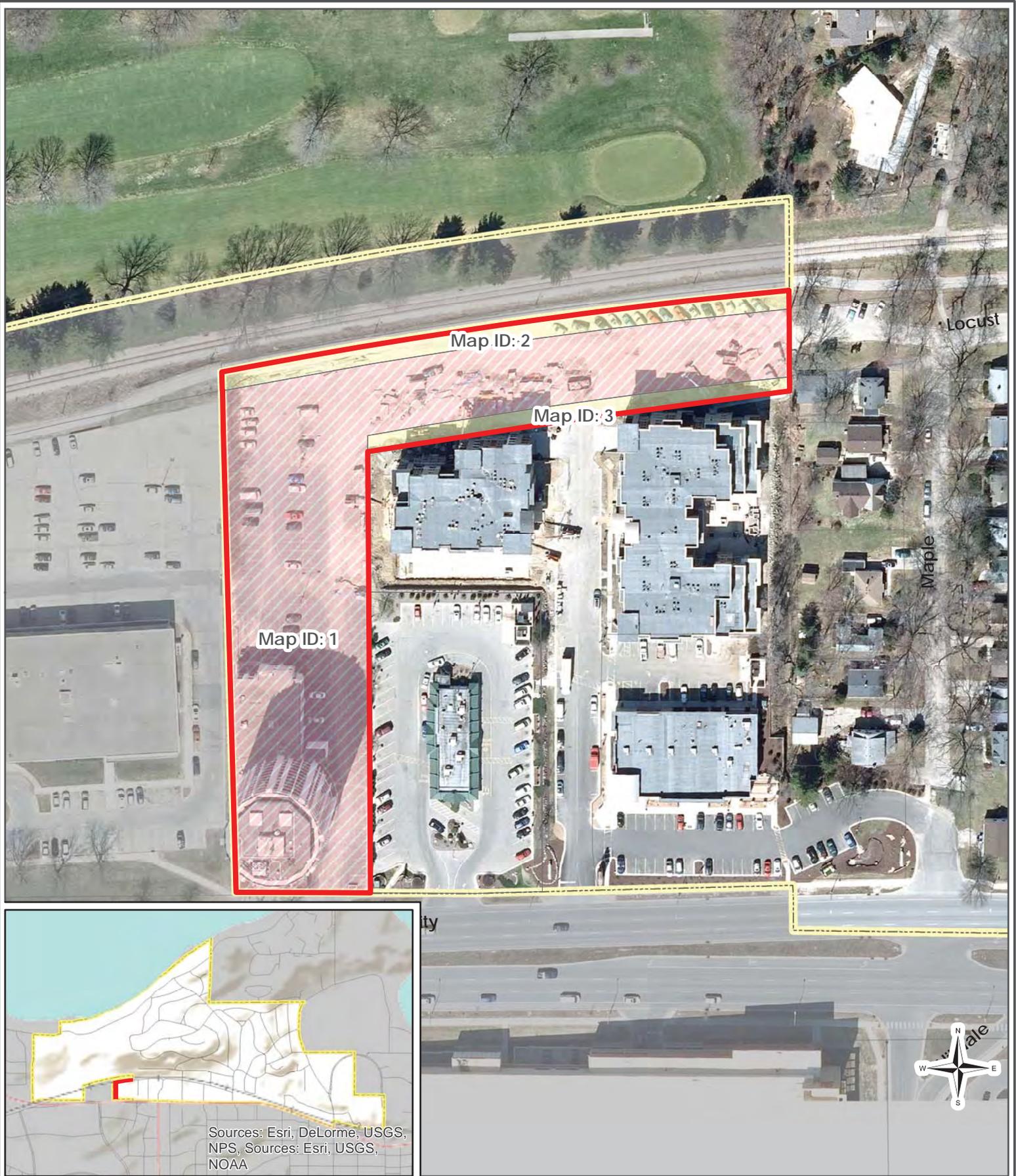


Exhibit A - Condition of Property

Village of Shorewood Hills



- Blighted Village Boundary
- Vacant TID 5 Boundary

vierbicher
planners | engineers | advisors



REEDSBURG - MADISON - PRAIRIE DU CHIEN
999 Fourier Drive, Suite 201, Madison, WI 53717
Phone: (608) 826-0532 Fax: (608) 826-0530

TID Study ID 1-3: 4610 University Ave

Blighted Rehab/conservation New construction



Exhibit B

