

Notice and Agenda
City of Hartford
Tax Incremental District Number 12
Joint Review Board
Meeting #1

Date: July 29, 2019

Time: 5:30 p.m.

Common Council Chambers
Lower Level City Hall - 109 North Main Street

-
1. Call to Order
 2. Roll Call
 3. Introductions
 4. Selection of Public Member
 5. Selection of Chairperson
 6. Review of Project Plan and Boundaries
 7. Review of Joint Review Board Duties and Obligations
 8. Adjournment

Reminder: TID 12 Joint Review Board meeting #2 will take place at 6:30 p.m. on Tuesday, September 17, 2019.

The Joint Review Board reserves the right to alter the presentation schedule as circumstances warrant.

“Persons with disabilities requiring special accommodations for attendance at the meeting should contact City Clerk at least one (1) business day prior to the meeting.”

“Members of the Common Council may attend the above meeting. Pursuant to State ex. rel. Badke v. Greendale Village Board, 173 Wis.2d 553, 494 N W 2d 408 (1993) such attendance may be considered a meeting of the Common Council. This notice is given so that members of the Common Council may attend the meeting without violating the open meeting law.”

Joint Review Board Members
Tax Incremental District 12
City of Hartford, Wisconsin

Tracy Hennes, Board President, Hartford Union High School

Laurie Barz, Economic and Workforce Development, Moraine Park Technical College

Jeff Becker, Board President, School District of Hartford Joint #1

Timothy Michalak, Mayor, City of Hartford

Joshua Schoemann, Administrator, Washington County

Citizen Member

NOTICE OF PUBLIC MEETING

CITY OF HARTFORD TAX INCREMENTAL DISTRICT 12

JOINT REVIEW BOARD

PLEASE TAKE NOTICE that a PUBLIC MEETING will be held at 5:30 p.m. or thereafter on July 29, 2019 in the Common Council Chambers at the lower level of City Hall, 109 North Main Street, by the City of Hartford Tax Incremental District 12 (Twelve) Joint Review Board. The purpose of the meeting is to review the proposed creation of Tax Incremental District (TID) Number 12 (Twelve), City of Hartford, Wisconsin, the proposed boundaries thereof, and the proposed project plan for the district.

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

Copies of the proposed TID 12 (Twelve) Boundary and Project Plan will be provided upon request at the City Clerk's office, 109 North Main Street, Monday – Friday between the hours of 7:30 a.m. and 4:30 p.m.

Dated this 23rd day of July, 2019.

Lori Hetzel
City Clerk
City of Hartford

Publish in the Washington County Daily News
Publish July 23, 2019
18 Notices Sent

CITY OF HARTFORD, WISCONSIN

TAX INCREMENTAL DISTRICT #12

PROJECT PLAN

September 10, 2019

DRAFT

City of Hartford
109 North Main Street
Hartford, WI 53027

Phone: 262.673.8272
Fax: 262.673.8309

CITY OF HARTFORD, WISCONSIN
PROJECT PLAN – TAX INCREMENTAL DISTRICT #12

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11	Non-Project Costs
11	Relocation Plan
11	Promotion of Orderly Growth and Development

CITY OF HARTFORD, WISCONSIN
PROJECT PLAN – TAX INCREMENTAL DISTRICT #12

SCHEDULE OF EXHIBITS

Exhibit

- A Map and Description of TID Boundaries
- B Comprehensive Plan for Affected Area
- C Amortization of Outstanding Principal – All General Obligation Debt
- D Project Feasibility Review
- E History of Property Values
- F Map of Existing Uses and Conditions of Real Property
- G Map of Development Layout
- H Opinion of City Attorney

CITY OF HARTFORD, WISCONSIN
PROJECT PLAN – TAX INCREMENTAL DISTRICT #12

INTRODUCTION

Wisconsin's Tax Incremental Financing Law was created in 1975, in response to a general economic downturn (the mid-70's recession). The purpose of the law is to help cities and villages rehabilitate blighted areas and improve or develop business, industrial, and affordable housing sites. In creating tax incremental financing, the State Legislature expressed its concern that cities and villages had neither the incentive nor the financial resources necessary to carry out programs which had previously been authorized by the State for these purposes.

The specific Declaration of the State Legislature included findings:

"That the existing system of allocating aggregate property tax revenues among tax levying municipalities had resulted in significant inequities and disincentives. The cost of public works or improvements within a city had been borne entirely by the city while the expansion of tax base which is stimulated, directly or indirectly, by such improvements, benefits not only the city but also all municipalities which share such tax base. This situation is inequitable [and] ... has resulted in the postponement or cancellation of socially desirable projects...The purpose of [the Tax Incremental Financing Law] is to create a viable procedure by which a city, through its own initiative and efforts, may finance projects which will tend to accomplish these laudable objectives. Establishing a tax increment system is in all respects for the benefit of the people of this State to serve a public purpose in improving and otherwise promoting their health, safety, welfare and prosperity."

Wisconsin's Tax Incremental Law gives the City the authority, under certain conditions, to designate specific areas within its boundaries as Tax Incremental Districts (TID's), and requires the preparation of Project Plans to develop or redevelop the Districts. The City may then use all extra taxes generated by the increased property value of such development or redevelopment to pay for eligible costs which are incurred to improve the Districts. This law assumes that all governmental units which tax properties within Tax Incremental Districts eventually will benefit from the increased value which will be generated. In the meantime, because it is developing the improvements, the municipality which created the Districts is allowed to retain the increased taxes generated during the existence of the Districts to pay for the cost of the public improvements.

Wisconsin Law places certain limitations upon the creation of TID's. In general, only whole parcels of property which are contiguous can be included within the

District. In addition at least 50% of the real property in a District (excluding road right of way and conservancy areas) must be blighted, in need of rehabilitation or conservation work, suitable for industrial sites, or suitable for two or more mixed uses (industrial, commercial, or residential).

TID's must also involve improvements likely to enhance significantly the value of substantially all the other real property in the District. Project costs must relate directly to eliminating blight, rehabilitation, conservancy, or the promotion of industrial, commercial, or residential development. The aggregate value of the equalized taxable property of the District plus all existing districts may not exceed 12% of the total value of equalized property within the City at the time the TID is created. The City of Hartford's current ratio (01-01-2019) of equalized valuation within tax incremental districts to its total equalized valuation is **less than 2%**.

Before a TID is created, a Joint Review Board (JRB) comprised of representatives of authorities having the power to levy taxes in the District must approve the municipality's action creating the District.

For "industrial" TID's created after October 1, 2004, expenditures to implement the Project Plan may not be made later than 15 years after the creation of the District.

An "industrial" TID created after October 1, 2004, shall terminate when the earlier of the following occurs:

- (1) that time, after the completion of all public improvement specified in the Plan or amendments thereto, when the City has received aggregate tax increments with respect to such District in an amount equal to the aggregate of all expenditures previously made or monetary obligations previously incurred for project costs for such District;
- (2) 20 years after the creation of the District; or,
- (3) the local legislative body, by resolution, dissolves the District at which time the City shall become liable for all unpaid project costs actually incurred.

STATEMENT OF KIND, NUMBER, AND LOCATION OF PROPOSED PROJECT

General Goals:

Tax Incremental District Number 12 (**TID 12**) is an industrial tax incremental district encompassing three land parcels totaling approximately 68.56 acres west of the current terminus of Western Drive, east of the current terminus of Innovation Way, and south of State Street in the western portion of the City of Hartford, Washington County, Wisconsin. The District includes 68.56 acres of industrial land. (See Map and Description – **EXHIBIT A.**) The creation of TID 12 is intended to allow for the development of industrial park land between the Dodge Industrial Park and the

Western Industrial Park, and facilitate the completion of multiple public purpose projects for the City of Hartford. The proposed District is 100% industrial property. (EXHIBIT F).

The total area of Tax Incremental District Number 12 is 68.56 acres. The industrial properties are identified as the following Parcel Identification Numbers in the City of Hartford, Washington County, Wisconsin:

- 36-1801-003-002,
- 36-1804-002-004,
- 36-1802-006-010,

The City of Hartford's Adopted 2030 Smart Growth Plan – Component Land Use Map shows the industrial parcels as being appropriate for industrial development. All intended uses identified under this Project Plan are met by M-3 General Industrial District zoning that will be in place for all three properties prior to the Common Council of the City of Hartford voting on this project plan. (See EXHIBIT B)

TID 12 is ideally suited for the expansion of industrial uses in the City of Hartford. The District is located between two successful industrial parks and will provide a new connection for all three industrial parks to west State Street, the primary east-west connector street in this portion of the City. In addition, connections to the Dodge Industrial Park to the west will provide easy access to State Trunk Highway 60 (STH 60). STH 60 is the main east-west arterial for the City of Hartford, as well as one of the important east-west highways for the State, connecting Lake Michigan with the Mississippi River, including markets in Minneapolis and St. Louis. Highway 60 connects the City of Hartford to the I-41 Interstate system, including markets in Milwaukee, Chicago, and the Fox River Valley, as well as the Port of Milwaukee and Gen. Mitchell International Airport. The eastern half of State Highway 60 within the City was recently reconstructed, further improving transportation for this industrial area of the City. The property is one mile south of the Hartford Municipal Airport, a general aviation facility.

The development of the proposed site for expanded manufacturing use requires a major capital investment on the part of the City of Hartford. The total cost to grade the site, install sanitary sewer, storm sewer, water main, electric lines and street improvements will exceed \$6,000,000. The expected buildout valuation of the industrial properties made possible by this infrastructure investment is expected to exceed \$45,000,000. The City cannot afford to make this scale of investment based solely on the City portion of property taxes it will collect from the developed properties. However, the project becomes feasible under the creation of a TID. **But for the existence of Tax Incremental District #12, this important development could not take place.** The anticipated result will be a model, hi-tech industrial park offering higher employment and a larger property valuation than would have been possible under any other land use.

The City of Hartford expects the increment generated by the creation of TID 12 to be used by the City of Hartford for public purpose projects benefitting the District, the City, and other overlapping taxing entities. The City intends to undertake all infrastructure and site work necessary to make the 14 development sites in and adjacent to the proposed district ready for industrial development during the life of the District. These improvements are proposed to be made in two phases over the next five years. Improving and expanding these facilities is crucial to the health of all of the nearby Industries as well as attracting new industries to the City. The City believes the proposed public purpose projects will increase property values of all private industrial properties within one-half mile of TID #12 boundaries.

ECONOMIC FEASIBILITY STUDY

Municipal Financial Capacity:

The development plan consists of up to 14 potential developable parcels and construction projects with a projected buildout valuation in excess of \$45,000,000 (See **Exhibit G**). A borrowing will be required for a project of this magnitude, and the first phase of the project is identified in the City's approved 2020 Capital Improvement Plan., The borrowing will be paid for with recovery through the receipt of 100% of the anticipated tax increments.

The City maintains adequate reserves to provide cash flows for the public purpose projects, with recovery over the life of the District. The City enjoys a Moody's Investors Service Rating of Aa2 to the City of Hartford's general obligation promissory notes, Series 2018 A. The City of Hartford's margin of indebtedness for general obligation purposes at December 31, 2018 is calculated:

Equalized Valuation (01-01-18)	\$1,302,696,000
Debt Limitation:	
5% of Equalized Valuation	65,134,800
Less Outstanding Debt (12-31-18)	<u>(23,260,000)</u>
Margin of Indebtedness	\$ 41,874,800
Debt Ratio	49.56%

The City of Hartford historically carries large reserves in the form of undesignated fund balances in various funds. Currently, its General Fund alone includes an undesignated fund balance of approximately \$6,047,577.

The City's debt management plan includes the biennial issuance of \$3.0 - 4.0 million of 10-year general obligation notes in even numbered calendar years for the purpose of funding capital projects of the City for a two year period. The next such borrowing will be in mid-2020. These biennial borrowings are intended to match an approximately equal amortization of debt during the same fiscal period,

thereby creating a "revolving" debt program for recurring public infrastructure purposes. The City has followed this revolving debt program for 20 years.

The City believes its debt ratio is sufficient to provide additional borrowing capacity to meet any unanticipated needs, as well as funding for any of the public purpose projects identified in this Project Plan if this were to become necessary. A chart depicting the amortization of all currently outstanding general obligation debts is included in this Project Plan as **EXHIBIT C**.

Projected Tax Increment Revenues:

EXHIBIT D demonstrates the anticipated project revenues for Tax Incremental District #12. The Exhibit makes a set of assumptions with respect to the development of the District:

1. The City of Hartford anticipates that Interstate Partners, LLC will begin construction on an approximately 100,000 square foot warehouse and office building in late 2019 or early 2020, and will begin construction of a similar building in 2022.
2. The equalized value of the taxable property within the District at January 1, 2019 will be \$0.
3. The value of taxable new construction will be approximately \$5,000,000 at January 1, 2021.
4. Equalized values will appreciate by a modest 1.5% through the 20-year life of the District.
5. A conservative, combined property tax rate (equalized basis) of \$18.00 per \$1000 of valuation is applied. The current (calendar year 2019) equalized tax rate for all applicable taxing entities is \$18.36.

Anticipated New Development

In addition to the two buildings described above, the City believes that the presence of 12 other development-ready industrial sites will spur significant additional development within the District.

Annual Cash Flows

EXHIBIT D projects the annual cash flows through the anticipated life of TID #12.

Economic Conditions

The City of Hartford is a growing municipality in Southeastern Wisconsin. (Population up more than 41% since 2000.) Growth in equalized valuation has been approximately 100% during the same time period, from \$542,898,600 to the

current \$1,302,696,000. **EXHIBIT E** records the History of Property Values for the City from 1986 to 2019.

The median age of Hartford residents is 35.6 years, which is 5.3 years below Washington County as a whole, and 2.9 years below the State average. (Source: 2010 Census.)

Adjusted Gross Income per tax return income data for the City in 2010 was \$50,170 compared to \$46,958 for the State of Wisconsin as a whole. (Source: Bureau of Economic Analysis – Wisconsin Department of Revenue.)

The City of Hartford received bond upgrades from Moody's in 2004, 2006, 2010, 2012. The City's current Moody's Investor Service rating is Aa2, last affirmed April 10, 2018. In its credit profile for the City, Standard & Poor's noted:

*Stable local manufacturing-based economy
Income and wealth indicators from good to strong
Very strong financial position paired with good financial mgmt. practices
Moderate overall net debt levels with rapid amortization of principal.*

The City of Hartford recognizes that its ability to compete as a major regional industrial and manufacturing center will depend upon the cooperation and coordination of public and private efforts. These efforts must focus on assisting existing manufacturers to grow within the City of Hartford and attracting new manufacturers to the City of Hartford in order to meet the changing demands of the global marketplace.

LIST OF ESTIMATED PROJECT COSTS

Public Purpose Projects (Phase I):

<u>1. Sanitary Sewer Construction (Phase I)</u>	\$ 401,600
<u>2. Water Construction (Phase I)</u>	\$ 487,300
<u>3. Storm Sewer/Stormwater Management (Phase I)</u>	\$ 1,068,600
<u>4. Street and Site Construction (Phase I)</u>	\$ 1,672,800
Phase I Total Costs:	\$ 3,630,300

Public Purpose Projects (Phase II):

<u>1. Sanitary Sewer Construction (Phase II)</u>	\$ 154,100
<u>2. Water Construction (Phase II)</u>	\$ 427,700
<u>3. Storm Sewer/Stormwater Management (Phase II)</u>	\$ 329,100
<u>4. Street and Site Construction (Phase II)</u>	\$ 1,680,000
Phase II Total Costs:	\$ 2,590,900

District Development and Issuance Expenses:

TID Development Costs and Fees	\$ 19,200
Cumulative Accounting and Legal Fee	60,800
TOTAL ESTIMATED TID #12 COSTS	\$ 6,301,200

TOTAL PROJECT COSTS FUNDED FROM TAX INCREMENTS	\$ 6,301,200 =====
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FINANCING METHODS AND COSTS

TID 12 is proposed to be developed through the distribution of tax increments to pay off the infrastructure improvements described above. (See Project Feasibility Review – **EXHIBIT D**). The District will retire all outstanding liabilities not later than calendar year 2038, the maximum statutory life of the District.

PROPOSED CHANGES IN ZONING

Zoning changes are in process for the three properties in TID 12. By the time the Common Council reviews the project plan in September 2019, all three properties will be zoned M-3 General Industrial, and **will not change its industrial zoning during the life of the District.** The City's Comprehensive Land Use Plan for the area is shown in **EXHIBIT B**.

NON-PROJECT COSTS

There are no non-project costs associated with TID 12.

RELOCATION PLAN

No occupied properties are found within the boundaries of TID 12.

PROMOTION OF ORDERLY GROWTH AND DEVELOPMENT

The Comprehensive Plan for the City of Hartford identifies the northwest portion of the City as an industrial area of the City. Proximity of the area to arterial roadways and connecting highways, rail transportation, and utilities continue to recommend it for industrial uses. Tax Incremental financing affords the opportunity for the continual redevelopment and expansion of industrial centers like this within the City, and providing a broader pattern of employment locations in the City.

The current challenge for communities like Hartford, with strong industrial and manufacturing backgrounds, is to assist area industrial corporations in expanding their current locations to take advantage of new innovations and opportunities in a 21st Century global marketplace. At the same time, by assisting the expansion of local industries, residential development is stimulated in a manner which matches local labor demands to affordable residential areas and plans. Without the long-range planning and financial participation provided by the City through tax incremental financing, the area designated for industrial growth and development would fail to meet its highest planned use.

OPINION OF CITY ATTORNEY

The opinion of the City Attorney regarding Tax Incremental District #12 can be found on the attached **EXHIBIT H. (Included with final draft. Cannot be completed until after Plan Commission public hearing on August 12, 2019).**

EXHIBIT A



Exhibit A, Continued:

*Legal Description to be inserted later

DRAFT

EXHIBIT B

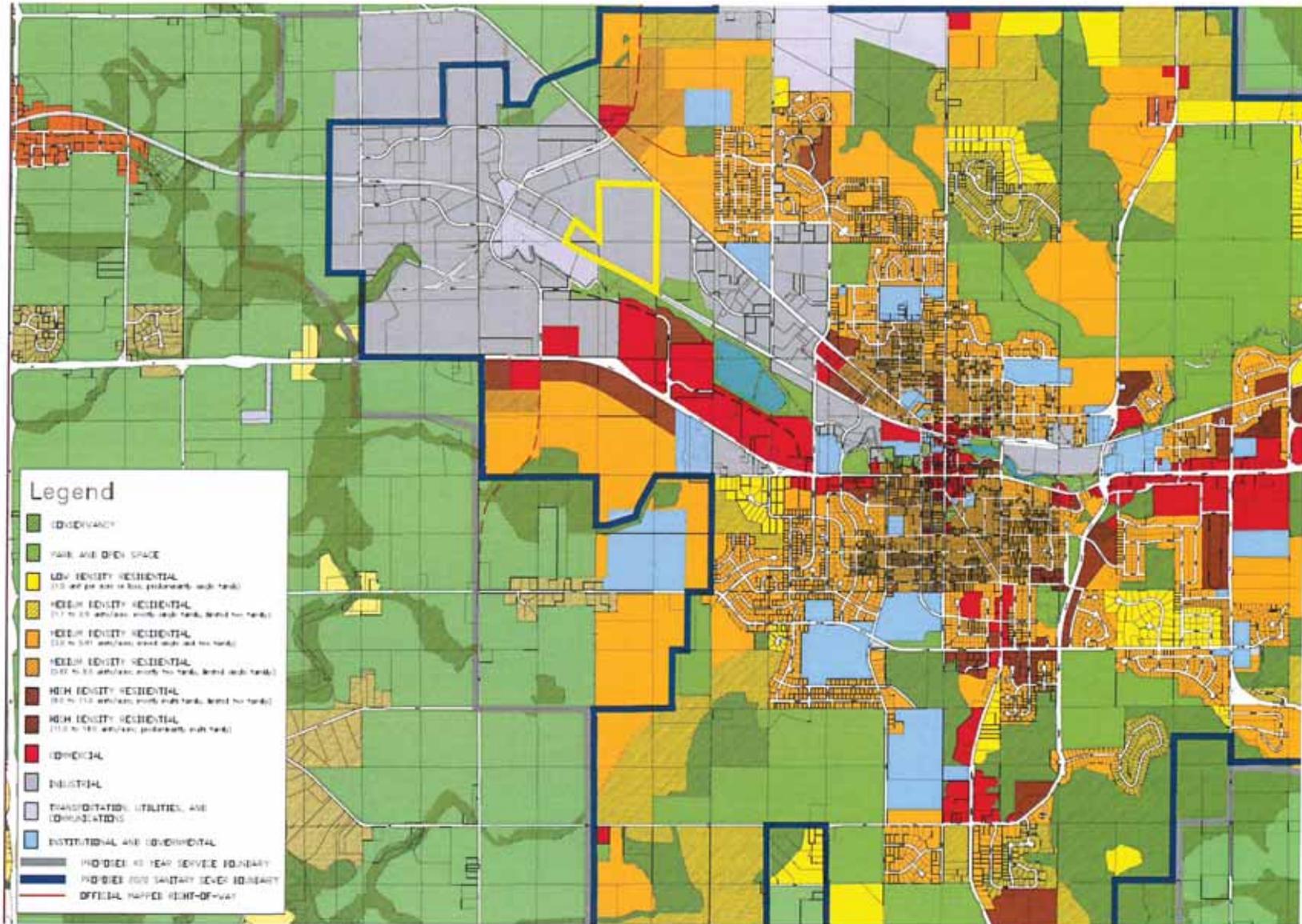


EXHIBIT C
City of Hartford, Wisconsin 2019 Annual Budget
Amortization of Outstanding Principal
All General Obligation Debt (2019—2032)

Budget Year	2012 Refunding Notes	2012 GO Notes	2014 GO Notes	2016 GO NOTES	20160 GO Refunding Bonds	2018A GO Notes	2010 GO Notes	Total To Be Paid
2019	\$225,000	\$325,000	\$100,000	\$325,000	\$300,000	\$125,000	\$325,000	\$1,850,000
2020	\$250,000	\$325,000	\$275,000	\$325,000	\$300,000	\$350,000	\$330,000	\$2,280,000
2021	\$300,000	\$325,000	\$275,000	\$350,000	\$315,000	\$350,000		\$2,030,000
2022	\$325,000	\$350,000	\$275,000	\$350,000	\$325,000	\$350,000		\$1,975,000
2023	\$325,000		\$300,000	\$350,000	\$325,000	\$375,000		\$1,675,000
2024	\$325,000		\$3,000,000	\$350,000	\$350,000	\$375,000		\$4,400,000
2025	\$350,000			\$350,000	\$350,000	\$375,000		\$1,425,000
2026	\$350,000			\$350,000	\$350,000	\$400,000		\$1,450,000
2027	\$350,000				\$700,000	\$200,000		\$1,250,000
2028	\$375,000				\$700,000			\$1,075,000
2029	\$375,000				\$700,000			\$1,075,000
2030	\$375,000				\$700,000			\$1,075,000
2031	\$350,000				\$650,000			\$1,000,000
2032	\$350,000				\$350,000			\$700,000
TOTALS	\$4,625,000	\$1,325,000	\$4,225,000	\$2,750,000	\$6,415,000	\$2,900,000	\$655,000	\$23,260,000

EXHIBIT D

	Annual Phase I Project Cost (\$6,301,000/20 years)	Tax Rate	Assessment	Tax Increment
2020	\$315,050	\$18.00	\$ -	\$ -
2021	\$315,050	\$18.00	\$ 5,000,000	\$ 90,000
2022	\$315,050	\$18.00	\$ 5,075,000	\$ 91,350
2023	\$315,050	\$18.00	\$ 10,302,250	\$ 185,441
2024	\$315,050	\$18.00	\$ 13,456,784	\$ 242,222
2025	\$315,050	\$18.00	\$ 16,658,636	\$ 299,855
2026	\$315,050	\$18.00	\$ 19,908,515	\$ 358,353
2027	\$315,050	\$18.00	\$ 23,207,143	\$ 417,729
2028	\$315,050	\$18.00	\$ 26,555,250	\$ 477,994
2029	\$315,050	\$18.00	\$ 29,953,579	\$ 539,164
2030	\$315,050	\$18.00	\$ 33,402,882	\$ 601,252
2031	\$315,050	\$18.00	\$ 36,903,926	\$ 664,271
2032	\$315,050	\$18.00	\$ 40,457,484	\$ 728,235
2033	\$315,050	\$18.00	\$ 44,064,347	\$ 793,158
2034	\$315,050	\$18.00	\$ 47,725,312	\$ 859,056
2035	\$315,050	\$18.00	\$ 51,441,192	\$ 925,941
2036	\$315,050	\$18.00	\$ 52,212,809	\$ 939,831
2037	\$315,050	\$18.00	\$ 52,996,002	\$ 953,928
2038	\$315,050	\$18.00	\$ 53,790,942	\$ 968,237
2039	\$315,050	\$18.00	\$ 54,597,806	\$ 982,761
	\$6,301,000			\$ 11,118,777

EXHIBIT E
City of Hartford, Wisconsin
2019 Annual Budget
History of Property Values 1986—2019

Budget Year	Assessed Values Without TIDs	Assessed Values with TIDs	Equalized Values with TIDs	Equalization Ratio (Assessed/Equalized)
1986	\$165,016,120	\$173,859,040	\$170,366,300	102.05%
1987	\$167,020,037	\$177,505,010	\$172,808,100	102.72%
1988	\$168,513,132	\$178,921,090	\$180,873,900	98.92%
1989	\$173,244,033	\$183,402,894	\$185,686,400	98.77%
1990	\$183,606,026	\$189,023,735	\$203,335,500	92.96%
1991	\$189,546,051	\$194,947,860	\$212,001,500	91.96%
1992	\$212,414,460	\$219,541,132	\$237,898,800	92.28%
1993	\$221,322,999	\$237,563,435	\$256,265,500	92.70%
1994	\$225,341,251	\$242,030,370	\$286,488,300	84.48%
1995	\$308,544,803	\$338,158,120	\$328,368,800	102.98%
1996	\$320,503,079	\$355,484,900	\$377,988,900	94.05%
1997	\$359,300,352	\$408,270,300	\$412,389,900	99.00%
1998	\$377,042,512	\$428,734,210	\$448,906,400	95.51%
1999	\$441,248,320	\$496,685,640	\$499,355,400	99.47%
2000	\$470,663,778	\$527,745,655	\$542,898,600	97.21%
2001	\$523,114,991	\$597,528,800	\$582,738,700	102.54%
2002	\$545,380,947	\$619,281,802	\$630,815,000	98.17%
2003	\$596,753,580	\$695,637,520	\$678,649,700	102.50%
2004	\$625,832,669	\$703,068,640	\$725,616,900	96.89%
2005	\$776,841,076	\$838,425,320	\$823,168,600	101.85%
2006	\$828,116,841	\$893,959,610	\$971,796,600	91.99%
2007	\$854,046,761	\$955,396,930	\$1,070,611,000	89.24%
2008	\$1,036,876,999	\$1,149,624,000	\$1,139,775,700	100.86%
2009	\$1,067,894,158	\$1,195,458,020	\$1,236,809,100	96.66%
2010	\$1,083,641,318	\$1,216,135,150	\$1,236,029,200	98.39%
2011	\$1,088,565,459	\$1,219,424,103	\$1,177,067,800	103.60%
2012	\$1,062,159,551	\$1,220,490,126	\$1,152,726,500	105.88%
2013	\$1,117,228,887	\$1,232,688,750	\$1,097,331,500	112.34%
2014	\$1,205,626,538	\$1,232,179,850	\$1,071,656,600	114.98%
2015	\$1,088,304,652	\$1,119,728,610	\$1,120,122,000	99.96%
2016	\$1,083,072,374	\$1,129,384,000	\$1,122,676,800	100.60%
2017	\$1,162,051,338	\$1,174,366,400	\$1,186,981,700	98.94%
2018	\$1,191,240,344	\$1,206,201,100	\$1,250,711,200	96.44%
2019	\$1,290,684,307	\$1,309,681,735	\$1,365,295,600	95.93%

EXHIBIT F



Washington County | Washington County, Wisconsin

EXHIBIT G

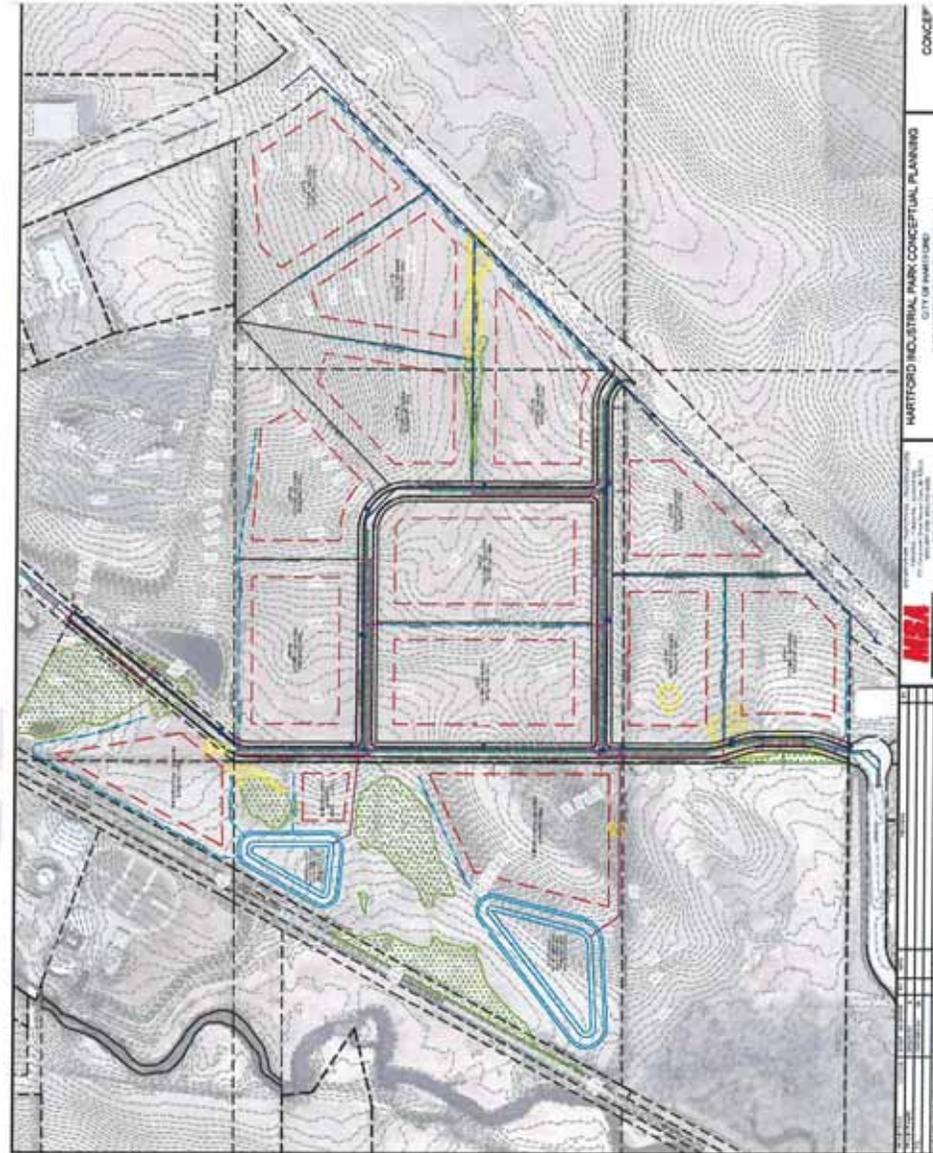


EXHIBIT H

To be added Later

DRAFT

CITY OF HARTFORD
TAX INCREMENTAL DISTRICT NUMBER 12
REVIEW OF JOINT REVIEW BOARD DUTIES AND OBLIGATIONS
July 29, 2019

Section 66.1105 of the Wisconsin Statutes makes provisions for the creation of tax incremental districts by Wisconsin governmental units. The creation of a tax incremental district requires the public involvement of the taxing entities in which the District is proposed. This participation is provided under the Statute through the organization of a Joint Review Board comprised of one representative chosen by the school district that levies taxes on the property within the proposed district, one representative chosen by the technical college that has power to levy taxes on the property within the proposed District, one representative chosen by the county that has power to levy taxes on the property within the tax incremental district, and one representative chosen by the City. In addition, a public member is required. In the case of a community with a union school district, the elementary school district and the union high school district each provide a member to the Joint Review Board, and the school district vote is split between them.

In each case the members of the Joint Review Board are intended by Statute to be Board Presidents, Executives, or their designees. Preference should be given to those designees with knowledge of local government finances.

The Joint Review Board of a Tax Incremental District is required by Wisconsin Statute to review the public record and either approve or reject the creation of the District. This authority is granted in order to prevent the limitation of new construction property valuation increases within these taxing entities without the approval of a majority of them.

In order to create a tax incremental district the City must conduct a public hearing by its Plan Commission. The Plan Commission may then approve a resolution recommending the boundaries of a district, its zoning, and its conformity to the City's comprehensive plan. The Plan Commission also renders an opinion as to the feasibility and legality of the project plan, and votes whether or not to approve the project plan. Finally, the Plan Commission makes a recommendation through its resolution whether or not the City should approve the creation of the District. This public hearing before the Plan Commission is scheduled for Tuesday, August 12 at 5:30 p.m. in this chamber. It is a formal hearing, and the public is encouraged to participate. Although your presence is not required, you are certainly invited to attend.

Assuming the Plan Commission approves a resolution creating TID #12, the matter then moves to the Common Council of the City of Hartford on Tuesday, September 10. The Common Council will be asked to approve the project plan and resolution approved by the Plan Commission. You each should have received a copy of the draft Project Plan for TID #12. This will also be provided

in final form prior to your second (and final) meeting. At this point I anticipate only minor revisions to the final draft of the Project Plan.

Assuming the Common Council approves the district on September 10, this Joint Review Board will convene again in this room on September 17 to approve a set of findings with respect to the creation of the District. If this body approves the creation of TID #12, your Chairperson will sign a letter to that effect notifying the City of Hartford of that decision.

At that point the work of this Joint Review Board will conclude. The Board could reconvene in the future if the Project Plan is amended, the District timeline is extended, etc.

The City of Hartford will then be required to file a large volume of paperwork with the Wisconsin Department of Revenue prior to October 31. This will lead to the formal creation of TID #12 and the certification of a base value for the district effective January 1, 2019.

The Joint Review Board has the authority to submit its decision to the Wisconsin Department of Revenue with a request that the State review the objective facts contained in any of the documents associated with the creation of the District in order to determine if the information submitted to the Board complies with Wisconsin Statute. The Joint Review Board also has the authority to REQUEST the City resolve problems in its proposal and resubmit the proposal for the creation of the District to the Joint Review Board. Because these are extraordinary actions, I suggest that any questions with respect to the Project Plan, the TID boundaries, etc., be presented to the City either this evening, or to me at City Hall at any time prior to the second meeting of the Joint Review Board. If questions arise in this fashion, I will provide responses to all members of the Joint Review Board in advance of the second meeting.

Assuming things proceed smoothly, the Joint Review Board will be asked, at its second meeting, to provide, by majority decision, a resolution approving the project plan and District boundaries of Tax Incremental District #12. That resolution would also include affirmative statements by the Joint Review Board concerning a set of criteria or 'findings'. Wisconsin law identifies three mandatory findings for the creation of a tax incremental district:

*That the development expected in the tax incremental district would not occur without the use of tax incremental financing. This is commonly referred to as the 'but for' test.

*That the economic benefits of the tax incremental district, as measured by increased employment, business and personal income, and property value, are sufficient to compensate for the cost of the improvements.

*That the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of the property in the overlying taxing districts.

In addition to these findings the Joint Review Board will be asked to find:

*That the District will be named City of Hartford Tax Incremental District #12

*That the TID #12 boundaries are acceptable under Wisconsin law

*That the majority of property within the boundaries of TID #12 is suitable for industrial purposes

*That the majority of property within the boundaries of TID #12 has been zoned for industrial use

*That the plan for the property is in conformance with the City's existing land use plan

*That industrial land within TID #12 will remain zoned for industrial use during the life of the District

*That the improvement of this area is likely to enhance significantly the value of property within the District and in the surrounding neighborhood

*That 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 of Hartford

*That the creation resolution approved by the Common Council on September 10th is approved by the Joint Review Board

*That these findings, as well as the vote of the Joint Review Board, be communicated to the City of Hartford within seven days

*And, finally, that the grants of economic development funds identified in the proposed Development Agreement between the Developer and the City of Hartford are necessary to fulfill the project plan approved by the Plan Commission and Common Council.

The objective evidence supporting each of these findings is included within the project plan you were provided.

If the Joint Review Board objects to any of these findings, it must provide a written explanation of its objection.

All documents requiring involvement by the Joint Review Board will be prepared for you in advance of the second meeting.