



Big & Small Communities: **Using TIF to Promote Economic Development**

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Ballpark Commons Development

Franklin, WI

- ▶ Located in Southwest corner of Milwaukee County
- ▶ 36 sq miles - 36,000 in population
- ▶ \$4.2 Billion in Equated Value - 3rd largest Milwaukee County Community
- ▶ 25% of land area undeveloped
- ▶ 5 Active TID's



Ballpark Commons - a vision for a closed landfill



Owned by the County

Methane remediation required

Ski hill operated there for many years

Leased to a recreation operator for baseball leagues

\$3.1 million of tax base

The Vision

- ▶ Local Entrepreneur
- ▶ Wanted a Minor League baseball team and Stadium
- ▶ City was not interested in that - he started to shop the concept



Vision then changed

New Vision

Stadium

Multi-purpose Indoor Sports Venue

Residential development

Commercial properties

Restaurants



Proposal - A \$101 Million Development

- ▶ Indoor Sports Venue- \$10.2 million
- ▶ Sports Village - \$32 million
- ▶ Garden Apartments - \$43.8 mil
- ▶ Hotel - \$10.6 mil
- ▶ Commercial component - \$4.5 mil



The Costs - \$26.6 million

- ▶ \$15.6 million of infrastructure
- ▶ \$9.2 million Incentive
- ▶ \$1.8 million methane remediation contribution
- ▶ How to balance costs with benefit of increment

The Challenge & Solution

▶ Challenge

- ▶ \$101 million in future increment
- ▶ \$26 million in project costs
- ▶ No firm plan for Increment

▶ Solution

- ▶ An \$8.1 Developer Grant request became two pieces -\$3.5 & \$1.5 Mil - Pay Go
- ▶ \$22.5 Mil - Note Anticipation Note - 5 yrs
 - ▶ Delayed future Repayment plan until TID Revenue more predictable
 - ▶ Took on Interest Rate Risk

Note Anticipation Note Structure

- ▶ 5 Year NAN - \$10 Million due in 1 year - sunk infrastructure costs - refunded Feb 2019 - locking in repayment structure on sunk costs
- ▶ Not sure if construction would sink the project - on an old landfill - kept options open to reconsider debt plan
- ▶ NAN gave time for visibility to TID Revenue stream

The Story continues - The Next Shoe Dropped

- ▶ Infrastructure costs rose \$5 million- ITS ON A LANDFILL!
- ▶ Developer asked for Help on cost overruns
- ▶ Residential Development - two proposals came forward
 - ▶ Site restrictions would have limited size and value
 - ▶ Reputable New Developer came forward with better product but a BIG ASK
- ▶ Developer revised the Plans to include more increment
 - ▶ Senior Housing Development - \$24 million
- ▶ Stadium District Property Tax exemption
- ▶ WEDA - 2019 Award - Public Private Partnership

New Challenges

▶ The Moving Pieces

- ▶ Developer wanted \$5.2 million for infrastructure overruns
- ▶ Brought additional Increment that ranged between \$160 & \$180 Million
- ▶ New Project had a big Ask - \$15 million MRO
- ▶ Potential Property Tax exemptions for Senior Housing
- ▶ Initial Developer noticed WI Statutes that exempted Stadium Districts
- ▶ Developer challenging Assessments on some parcels

Solution - Ehlers Helped with Ideas

- ▶ Create new Blighted TID for Residential component
- ▶ Financing plan for Residential component
 - ▶ Pay Go for \$14.89 million incentive
 - ▶ \$2 million of Infrastructure overruns
 - ▶ Mezzanine financing - \$4.5 million second mortgage - due in 10 years - favorable terms
- ▶ Added Increment - \$24 million - to finance \$3.2 million of Infrastructure help
- ▶ Inserted PILOT provisions - beyond the TID Life

Before



After



City's Position Today

- ▶ Original \$22.5 Mil NAN - May 2018
 - ▶ Refunded \$10 Mil bond in Feb 2019
 - ▶ Refunded \$4 Mil bond in Dec 2019
 - ▶ Balance \$9.8 Mil - future refunding
- ▶ Two New Bonds for Infrastructure
 - ▶ \$3.2 mil in Original TID & \$2.0 Mil in Blighted District
- ▶ Third Note - Mortgage Financing
 - ▶ \$3 mil Taxable Note
 - ▶ \$1.5 Mil Interfund Advance - expected payment
- ▶ PILOT's surviving the TID Lives

New Development



Commercial Office - Retail

Retail



New Development - Senior Housing



New Development - Stadium



New Development - 165 Market Rate Apartment complex



Take Away

- ▶ Bridge financing tools to structure repayment that matches future cash flows
- ▶ PILOT's to protect TID and taxing authorities beyond TID lives
- ▶ New Funds were not advanced until AFTER building permits were pulled on major new pieces
- ▶ Incentives in place to have Developer perform - Pay Go/MRO
- ▶ Developer Guarantees on minimum Increment levels - protecting Debt Service
- ▶ Reserve in TID for future Debt Service before Pay Go payments
- ▶ \$101 Mil Development Project - became \$170 Mil

Do Differently if could

- ▶ Timing of TID Creation - Coordination of Developer's Agreement with TID Creation
- ▶ Developer Strategy Change Impacted City - purchase of landfill from County
- ▶ If City knew more about individual projects - then more of their financial terms would have been included in project plan
- ▶ Look to have less up front City funds - more back end

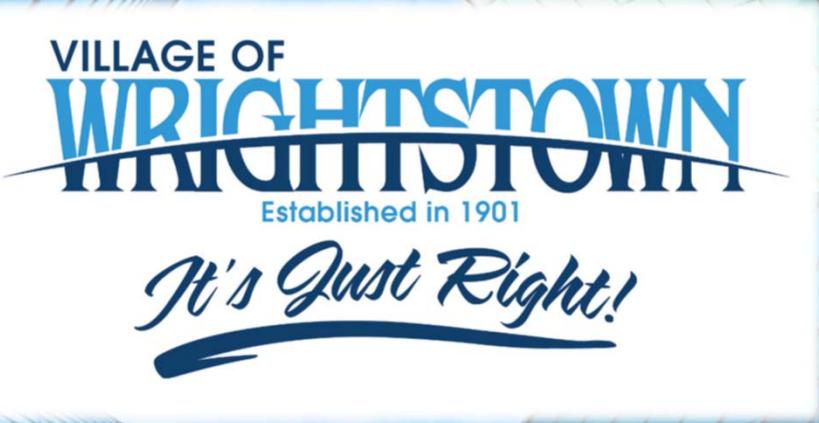
Franklin's - Ball Park Commons Development

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TIF

Opening Doors
for the
Village
of
Wrightstown

Presented by:
Travis Coenen
Administrator,
Village of Wrightstown



VILLAGE OF
WRIGHTSTOWN
Established in 1901

It's Just Right!

Introduction – Why Wrightstown “Is Just Right”



History

- Although the force of a current varies, like the Fox River that flows through the Village of Wrightstown, the direction forever remains forward moving with innovation and progressive leadership. Wrightstown is one of the oldest communities in Wisconsin. Founder, Hoel S. Wright came to Wisconsin in 1833 as a surveyor for much of northeastern Wisconsin. He opened a trading post and ferry service for the local inhabitants and called his settlement Bridgeport. He also supported efforts to make the Fox River more navigable so that his settlement could develop into a thriving commercial center. The Brown County Board of Supervisors recognized his efforts in 1854 by naming the township after him. The Village was then later established in 1901.

Demographics



- The Village has a growing population that is diverse and runs deep with culture and history, with projected population for the 2020 Census to be well over 3000.
- Wrightstown, “It’s Just Right” when looking to create a home or grow a business. The Village offers great amenities and superb location in the center of a talent pool of a million people.
- Our location is perfectly centered between Green Bay, Appleton, and the Lake shore, providing amazing opportunities and resources for our residents within a twenty minute drive.
- Great public and private schools ranking in the top 25 in the state.

Our Mission



- The Village of Wrightstown will maximize opportunities for social and economic development while retaining an attractive, sustainable, and secure environment for the enjoyment of residents and visitors alike. We are committed to providing quality services in a cost-effective manner, through responsible and professional leadership. Engaging collaborative involvement from all community and regional partnerships, the Village of Wrightstown will strive to improve the quality of life for residents living and working in the Village and surrounding areas. Actions taken in pursuit of our mission will be in accordance with democratic principles and the Constitution of the United States of America.

The Amazing Team that makes it all happen!



TIF and the Village of Wrightstown



- The Village has created 5 successful TIDs with three currently open
- TID #1 was created in 1981 and closed out in 1995
 - TID #1 supported \$1,200,000 in infrastructure and generated just under \$5,000,000 of new increment with both industrial and residential growth.
- TID # 2 was created in October of 1996 and was closed out in November of 2013.
 - TID #2 covered just under \$7,500,000 of infrasture with the \$11,000,000 of new tax increment with new industrial and commercial growth.



TIF and the Village of Wrightstown



- TID #3 was created in February of 2015 as a Mixed-Use District and was amended on August of 2017 adding additional territory.
 - TID #3 thus far has supported approximately \$5,500,000 in infrastructure and developers incentives expensed with current increment generated equaling just under \$22,000,000 of new commercial and industrial development. Current increment will provide ability to close in 2029.



TIF and the Village of Wrightstown



- TID # 4 was created in September of 2016 as a Mixed-Use District
 - TID #4 thus far has supported approximately \$4,800,000 in infrastructure and developers incentives expensed with current increment generated equaling just under \$14,000,000 of new commercial and industrial development. Current increment will provide ability to close in 2035.



TIF and the Village of Wrightstown



- TID # 5 was created in May of 2018 as a rehabilitation - conservation district.
 - This district was created in the heart of our community, known as our Downtown River District. Since its creation three new businesses have opened and other renovations have begun.
 - TID #5 has expensed thus far a Pay Go agreement for a \$4,000,000 Luxury River Front Apartment Development with future buildings in the plans as well as shoreline restoration projects underway.



TIF and the Village of Wrightstown



TID IN Equalized Value History

I. Five-Year Historical TID IN Growth by Category (Data Per Wis. Dept. of Revenue)									
	Historical TID IN Equalized Value		Economic Change		New Construction		Other & Personal Property		
2015	216,241,400								
2016	215,523,800	-0.33%	-3,908,200	-1.81%	2,279,400	1.05%	911,200	0.42%	
2017	236,578,800	9.77%	11,807,000	5.48%	9,695,300	4.50%	-447,300	-0.21%	
2018	254,760,200	7.69%	4,158,600	1.76%	15,591,200	6.59%	-1,568,400	-0.66%	
2019	294,181,900	15.47%	16,503,100	6.48%	23,409,300	9.19%	-490,700	-0.19%	

TIF and the Village of Wrightstown



TID Out Equalized Value History

II. Five-Year Historical TID OUT Growth by Category (Data Per Wis. Dept. of Revenue - Breakdown Assumes Same Ratios as TID IN)									
	Historical TID OUT Equalized Value		Economic Change		New Construction		Other & Personal Property		
2015	216,241,400								
2016	214,990,900	-0.58%	-6,810,485	-3.15%	3,972,115	1.84%	1,587,870	0.73%	
2017	229,941,300	6.95%	8,383,727	3.90%	6,884,285	3.20%	-317,612	-0.15%	
2018	238,963,500	3.92%	2,063,632	0.90%	7,736,859	3.36%	-778,291	-0.34%	
2019	261,725,200	9.53%	9,528,727	3.99%	13,516,298	5.66%	-283,325	-0.12%	

Our Strengths



- Not living by the theory of you “Build They Will Come.”
- Being Diligent to our districts with costs and keeping a priority to Pay Go incentives only as much as possible.
- Ensuring that all expense can be recovered with ability to close TIDs early.
- Ability to efficiently work through required permitting and approval processes in an efficient and timely manner.
- Having a plan and resources in place to implement the plan.



Our Weaknesses

- Small Community with limited resources.
- Districts in two Counties.
- Limited staffing to accomplish all the work that goes with Economic Development, TID management, and municipal operations.
- Limited Village owned land.
- No crystal ball



Thanks
from the
Village
of
Wrightstown





Your presenters



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