

VILLAGE OF SUSSEX
SUSSEX, WISCONSIN

Minutes of the Community Development Authority Public Hearing held on May 18, 2021.

Village Administrator Jeremy Smith called the meeting to order at 5:52 p.m.

Members Present: Anthony LeDonne, Scott Adkins, Heather Pfalz, Jennifer Bell, Jim Stone and Ralph Benka.

Staff present: Kasey Fluet – Assistant Development Director, Jeremy Smith – Village Administrator and John Macy- Village Attorney.

Nomination of Chairperson and Vice-Chairperson.

A motion by Pfalz and second by Benka to nominate LeDonne as Chairperson, a motion by LeDonne and second by Benka to nominate Adkins as Vice-Chairperson. Motion carried.

Consideration and possible action on minutes of the CDA meeting held April 20, 2021.

A motion by Pfalz, seconded by Bell, to approve the minutes of the CDA meeting of April 20, 2021.

Motion carried.

The public hearing for a proposal to amend tax incremental district #7 (also referred to herein as, the “District”) to amend the boundary to include the following territory:



Such hearing shall also be for the purpose of considering an amendment to the project plan for the District.

The proposed additional projects are for the purpose of promoting industrial and commercial development on properties located north of CTH K and west of the existing TID #7 boundary. The development will be named the Highlands Business Park. Projects include, but are not limited to development incentives (including cash grants to developers of land within the District), administrative and legal costs. The approximate additional costs contained in the project plan are estimated to be \$2.425 million.

All interested parties will be given a reasonable opportunity to express their views on the proposed District boundaries and proposed amendment to the project plan of the District. Such hearing shall be public and citizens and interested parties shall then be heard. A copy of the project plan map will be available for review upon request at the Sussex Civic Center during normal office hours and on the website at www.villagesussex.org

Mark Lake Vice President of Planning & Development for Wangard Partners was present for this matter. Lake reviewed the map (copy attached). Lake stated the expansion of the TID #7 would include improvement to the land known as the Brown farm to expand the Highlands Business Park, improvements as sidewalk from Business Dr to the Brown farm property line, burying utilities, administrative cost, adding a concrete road and grading for the challenging site. Lake stated as noted in the Waukesha County Industrial/Business Park Land study (copy attached) many companies are looking to build larger facilities and land is needed. Lake stated they are in negotiations with some potential users at this site.

Smith reviewed the PFM report (copy attached).

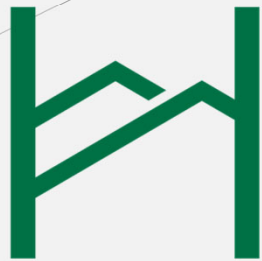
LeDonne asked if there are any comments from the public. No one from the public wished to be heard.

A motion by LeDonne, seconded by Benka to close the public hearing at 6:15 p.m. Motion carried.

A motion by LeDonne seconded by Adkins to recommend the Resolution 21-08 (copy attached) designating the amended boundaries and amended project plan for TID #7. Motion carried.
6 ayes 0 nays

A motion by Pfalz, seconded by Bell to adjourn the meeting at 6:17 p.m. Motion carried.

Respectfully submitted,
Kasey Fluet, Assistant Development Director



HIGHLANDS

BUSINESS PARK

Phase II Expansion

2021-5-18

Sussex, WI CDA/JRB

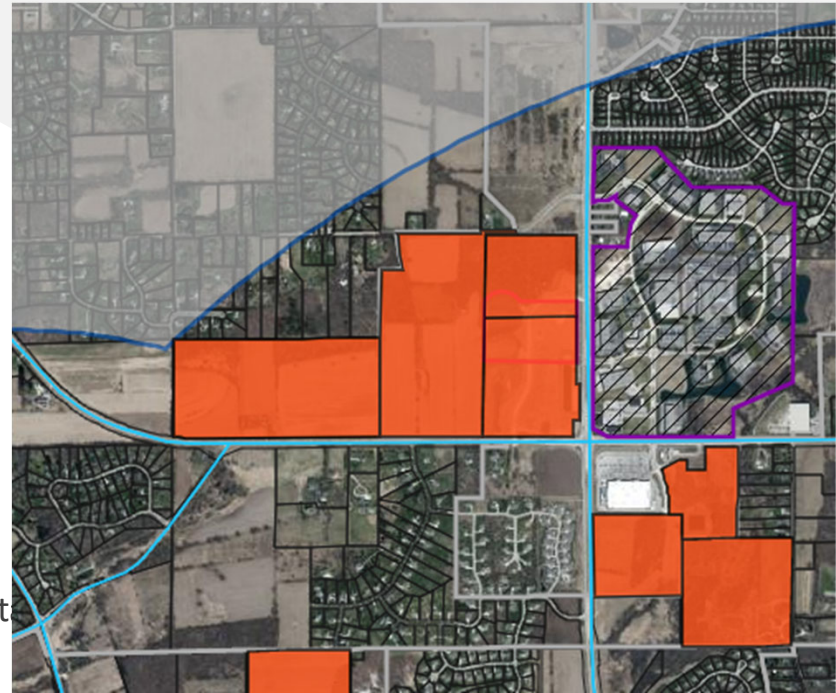
Background

- Phase I
 - Kwik Trip – Open
 - Educator’s Credit Union – 2021/2022
 - Adron Manufacturing - Under construction
 - Full STH 164 Signalized Intersection – Construction depends on WIDOT Warrants



Waukesha County

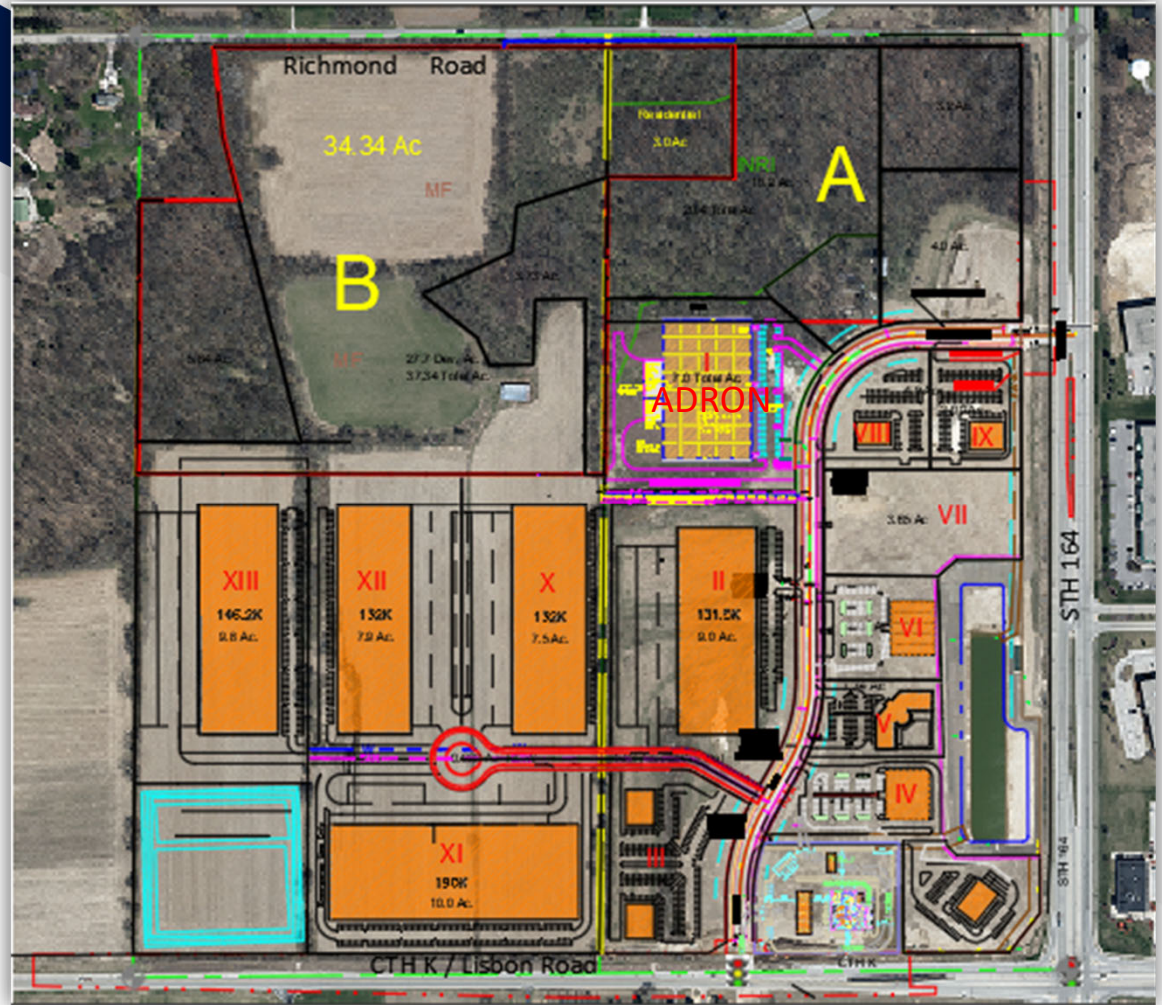
- **Business Park Suitability Analysis**
 - Adjacent to existing Business Park
 - Available Sewer
 - Available Water
 - Major Transportation Node
 - Transportation Arterial
 - TIF District Available
 - Environmental Constraints at a Minimum
 - High bedrock, Water table, Wetlands, Environment Corridors



Source: Waukesha County LIS

Highlands I / Highlands II

- **BP-1 Business Park**
 - 44 acre addition or Highlands I
 - 500-600K Industrial/Manufacturing
 - 900'-1200' Industrial Cul-de-sac
 - 5-acre regional pond
 - Relocation of CTH K power lines
 - Access to Business Drive only
 - Signalized Intersection - STH 164
 - \$30M Proposed Incremental Value
 - \$7.6M Improvement Costs





Thank You

May 18, 2021

A Wangard Partners Development





DRAFT

**Project Plan
Amendment No. 1 for
Tax Incremental District No. 7
Project Plan
In the Village of Sussex**

Public Hearing Held:

Adopted by CDA:

Adopted by Village Board:

Approved by Joint Review Board:

May 18, 2021



115 South 84th Street
Suite 315
Milwaukee, WI 53214
414-771-2700 Telephone

Village of Sussex, Wisconsin

Village of Sussex Elected Officials

Village President Anthony LeDonne

Scott Adkins

Benjamin Jarvis

Stacy Riedel

Lee Uecker

Ron Wells

Gregory Zoellick

Village of Sussex Community Development Authority

Village President Anthony LeDonne

Chairperson Jim Stone

Heather Pfalz

Jennifer Bell

Ralph Benka

Scott Adkins

Mike Schulist

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I. Background and Introduction

In 2018, the Village of Sussex (the “Village”) created Tax Incremental Financing District Number 7 (“TID No.7” or “District”) for the purpose of promoting industrial and commercial development on properties located at the northwest corner of the intersection of STH 164 and CTH K. The development, known as the Sussex Commerce Center, is providing for the continued expansion and diversification of the Village’s tax base and provides employment opportunities for Village residents. The project is designed to build upon the success of the Sussex Corporate Center which is located directly across STH 164 on the northeast corner of the intersection of STH 164 and CTH K. The Sussex Commerce Center consists of approximately 56 developable acres with 48 acres of industrial development and 8 acres of commercial development.

The Developer of the Sussex Commerce Center recently acquired approximately 76 additional acres immediately west of their current property. The Village is proposing to expand the existing TID#7 western boundary to include the additional property. It is anticipated that approximately 40 acres will be developed as a business park with construction of the first building beginning in 2021 and additional buildings constructed annually through 2025. In addition to the business park development, it is anticipated that approximately 36 acres will be available for residential development.

II. Statement of Kind, Number and Location of Proposed Public Works and Improvements

TID No. 7 is being amended by the Village of Sussex under the authority provided by Wisconsin Statute Section 66.1105. The District is being amended to encourage the further development. Not less than 50% by area of the real property within the District is suitable for industrial sites within the meaning of section 66.1101 of the Wisconsin State Statutes, and has been zoned for industrial use.

Any cost directly or indirectly related to promoting industrial development is considered a “project cost” and eligible to be paid from tax increments of the District. Additionally, the costs of planning, engineering, designing, surveying, legal and consultant fees, testing, environment studies, permits necessary for public work, easements, judgments or damage claims for damages, and other expenses for all project categories as well as discretionary payments, are included in project costs.

Listed below are direct project costs associated with the TID No. 7 Amendment Area.

Development Incentives

The Village anticipates entering into a Development Agreement which would provide the Developer with a total payment of \$2,400,000. The developer will be responsible for all

public improvements on the property including water and sewer main installation, grading and road construction.

Administrative and Organizational Costs

Imputed administrative costs of TID No. 7 include, but are not limited to, a portion of the salaries of Village employees and elected officials, professional fees for audits, legal review, planning and engineering services, professional assistance with general administration of TID No. 7 and other costs associated with the creation and administration of projects over the expenditure period including the administration of grants and other financial assistance received to help pay for projects within TID No. 7.

Financing Costs

Financing costs for TID No. 7 include interest, finance fees, bond discounts, bond redemption premiums, legal opinions, ratings, capitalized interest, bond insurance and other expenses related to financing.

III. Economic Feasibility Study

The purpose of this economic feasibility study is to answer two fundamental questions:

- 1) Is the Village able to obtain financing for the improvements within the District?
And, more importantly:
- 2) Will the tax increment revenues generated by the District be sufficient to repay the District's obligations?

An analysis to determine the answer to each of these questions follows. The analysis includes only those project costs related to the plan amendment and the increment revenues anticipated as a result of the plan amendment.

Ability to Obtain Financing

An important aspect to consider in assessing the feasibility of the TID No. 7 Amendment Area is the ability of the Village to finance the desired projects. Options available to the Village to finance the project costs include general obligation notes and bonds, revenue bonds, and special assessment bonds. The Community Development Authority of the Village could also issue CDA Lease Revenue Bonds to finance the project costs.

General obligations of the Village are limited by state law to five percent of the Village's total equalized property value. Payments for general obligation debt are not, however, limited by the current levy limit laws. The Village has sufficient general obligation debt capacity to obtain the funds necessary to implement this project plan, as amended.

Ability to Repay Obligations

In order to determine the ability of the TID No. 7 Amendment Area to repay its obligations it is necessary to project tax increment revenues and analyze the District's cash flow. The revenue projection contained on page 7 is based upon the following assumptions:

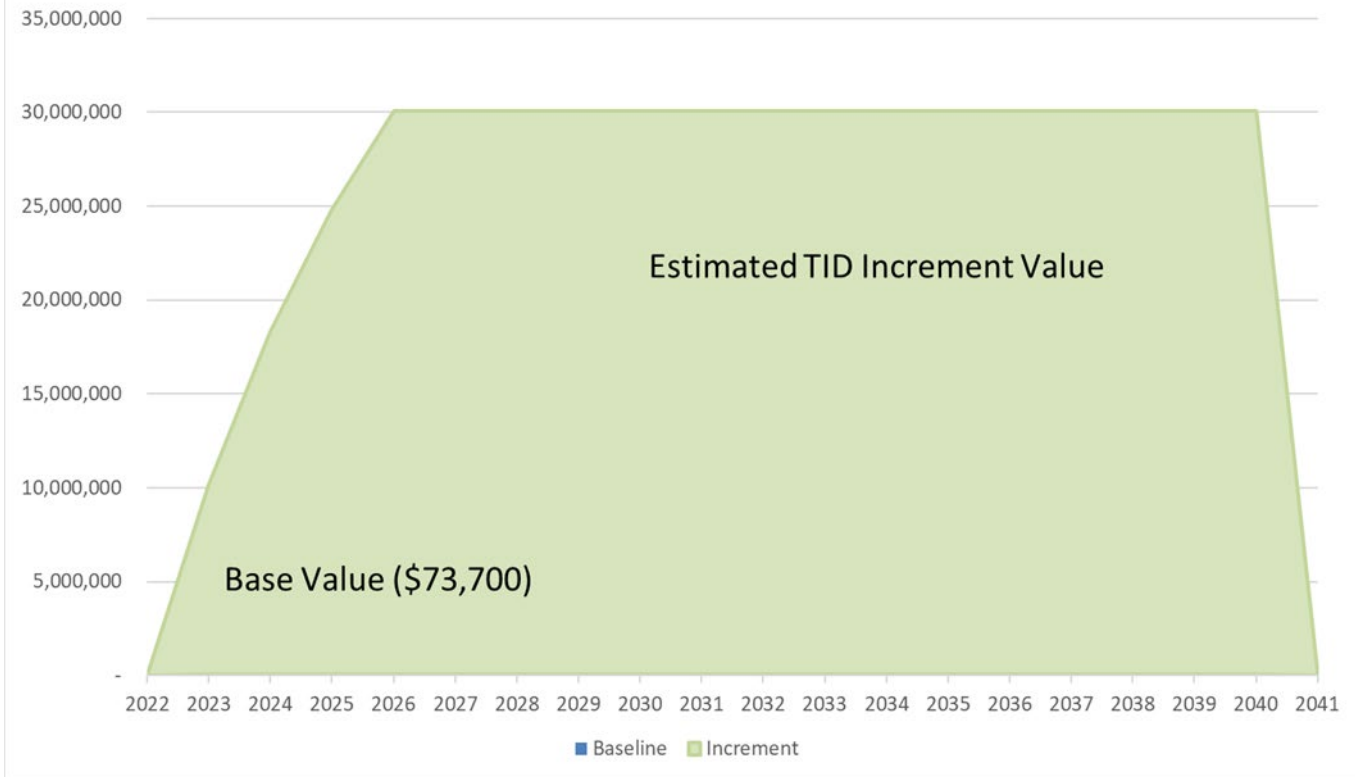
- The base value of the amended area of the district is estimated to be \$73,700.
- The tax rate is \$17.11 per thousand of equalized value, which is the Village's current tax rate, and is projected to remain constant throughout the life of the District.
- The analysis anticipates that there will be 32 net developable acres in the business park which will generate approximately \$30 million in increment value (\$4 million in increased land value and \$26 million in new construction). The construction projects will occur as acreage is sold to third parties. The estimated timeline for the sale of the parcels and construction is as follows:

Sold/ Construction Year	Number of Acres Sold
2022	7.5
2023	10.0
2024	8.0
2025	6.5
Total Acres	32.0

In addition to the business park development it is anticipated that approximately 36 acres will be available for residential development. There is no timetable for the residential development and no values are included for the purposes of this analysis.

- Valuations are projected to remain at their initial construction value and, for the purpose of this analysis, are not expected to increase or decrease throughout the life of the District.

Village of Sussex
TID No. 7 Projected Increment Values
(TID No. 7 Amendment Area)



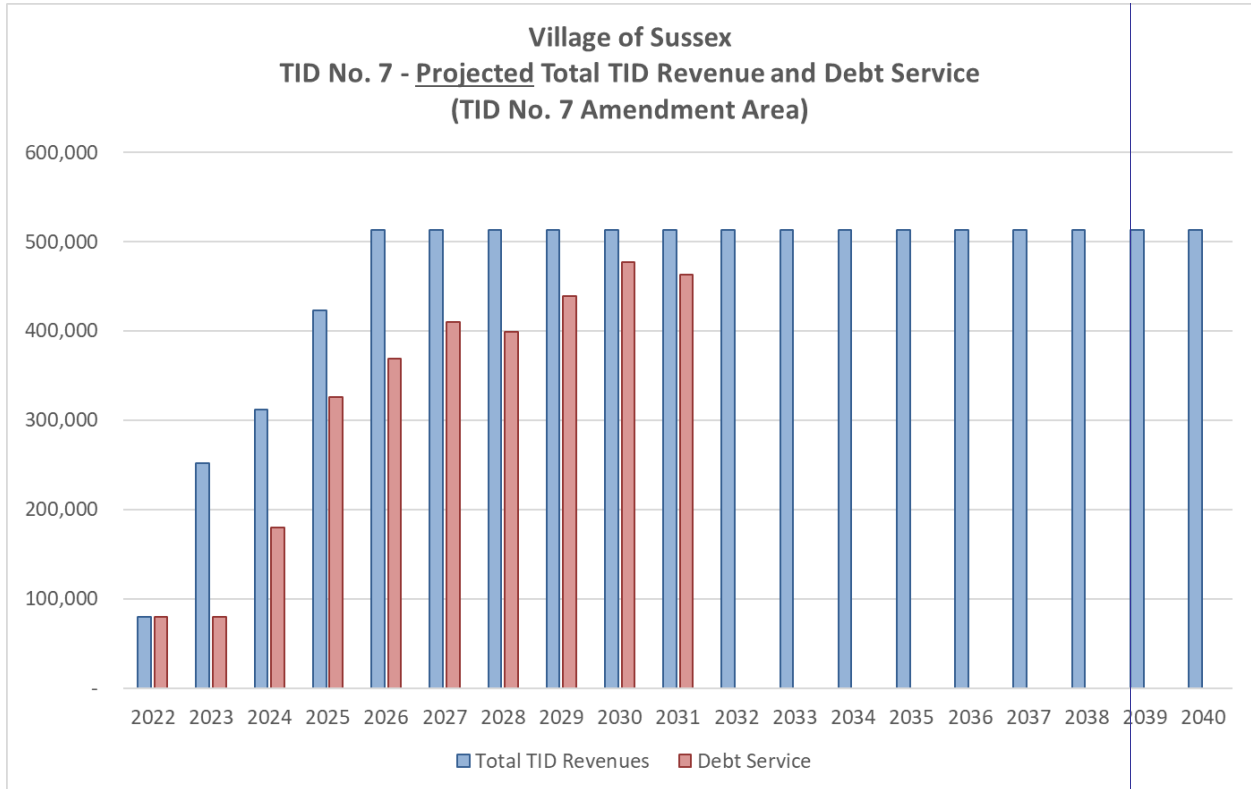
Projected Tax Increment (TID No. 7 Amendment Area)

<u>Const. Year</u>	<u>Jan. 1 Valuation</u>	<u>Revenue Collection</u>	<u>New Construction</u>	<u>Total Increment</u>	<u>Tax Rate</u>	<u>TID Revenues</u>
2021	2022	2023	10,093,750	10,093,750	15.80	159,481
2022	2023	2024	8,125,000	18,218,750	15.80	287,856
2023	2024	2025	6,500,000	24,718,750	15.80	390,556
2024	2025	2026	5,281,250	30,000,000	15.80	474,000
2025	2026	2027		30,000,000	15.80	474,000
2026	2027	2028		30,000,000	15.80	474,000
2027	2028	2029		30,000,000	15.80	474,000
2028	2029	2030		30,000,000	15.80	474,000
2029	2030	2031		30,000,000	15.80	474,000
2030	2031	2032		30,000,000	15.80	474,000
2031	2032	2033		30,000,000	15.80	474,000
2032	2033	2034		30,000,000	15.80	474,000
2033	2034	2035		30,000,000	15.80	474,000
2034	2035	2036		30,000,000	15.80	474,000
2035	2036	2037		30,000,000	15.80	474,000
2036	2037	2038		30,000,000	15.80	474,000
2037	2038	2039		30,000,000	15.80	474,000
2038	2039	2040		30,000,000	15.80	474,000
		2041				
	Totals		30,000,000			7,947,894

Projected Capitalization Schedule (TID No. 7 Amendment Area)

<u>Project</u>	<u>2021 Notes</u>
Business Park Infrastructure	2,200,000
Development Fees	200,000
Administrative and Legal	<u>25,000</u>
Total Project Costs	<u>2,425,000</u>
<i>Plus:</i>	
Capitalized Interest	159,000
Underwriters Discount	26,500
Finance and Legal	<u>40,000</u>
Total Funds Needed	<u>2,650,500</u>
<i>Less:</i>	
Interest Earnings	(500)
Funds on Hand	<u>--</u>
Total Debt Issue	<u>2,650,000</u>

Based upon these assumptions, the Village is able to obtain financing for the improvements required by TID No. 7 and the projected revenues will be sufficient to repay all of the district's obligations.



Village of Sussex

Tax Incremental District No. 7 Cash Flow (TID No. 7 Amendment Area)

Year	Incremental Revenues	Capitalized Interest	Total	2021 Notes			Surplus/ (Deficit)	Revenue Balance	Debt Balance
				Princ.	Int.	Total			
2022		79,500	79,500		79,500	79,500	-	-	2,650,000
2023	159,481	79,500	238,981		79,500	79,500	159,481	159,481	2,650,000
2024	287,856		287,856	125,000	79,500	204,500	83,356	242,838	2,525,000
2025	390,556		390,556	250,000	75,750	325,750	64,806	307,644	2,275,000
2026	474,000		474,000	350,000	68,250	418,250	55,750	363,394	1,925,000
2027	474,000		474,000	350,000	57,750	407,750	66,250	429,644	1,575,000
2028	474,000		474,000	375,000	47,250	422,250	51,750	481,394	1,200,000
2029	474,000		474,000	400,000	36,000	436,000	38,000	519,394	800,000
2030	474,000		474,000	400,000	24,000	424,000	50,000	569,394	400,000
2031	474,000		474,000	400,000	12,000	412,000	62,000	631,394	-
2032	474,000		474,000	-	-	-	474,000	1,105,394	-
2033	474,000		474,000	-	-	-	474,000	1,579,394	-
2034	474,000		474,000	-	-	-	474,000	2,053,394	-
2035	474,000		474,000	-	-	-	474,000	2,527,394	-
2036	474,000		474,000	-	-	-	474,000	3,001,394	-
2037	474,000		474,000	-	-	-	474,000	3,475,394	-
2038	474,000		474,000	-	-	-	474,000	3,949,394	-
2039	474,000		474,000	-	-	-	474,000	4,423,394	-
2040	474,000		474,000	-	-	-	474,000	4,897,394	-
Total	7,947,894	159,000	8,106,894	2,650,000	559,500	3,209,500			

IV. Detailed List of Project Costs

Attached is a detailed preliminary cost estimate for the projects necessary to implement the amendment of the plan. All cost estimates are preliminary and have been prepared based upon 2021 prices. The final costs of the projects may be adjusted to reflect design changes and actual construction bids. The timing of the projects is also very preliminary and subject to adjustment based upon implementation of this amendment of the project plan.

This amendment of the project plan is not an appropriation of funds for any specific project. The Village is not obligated to undertake any specific project and each project must be approved by subsequent action of the Village Board. The Village intends to undertake only those projects that remain viable during the implementation of the amendment of the project plan, and may choose to delete projects or change the scope of the projects implemented as they are individually authorized.

The total TIF project costs related to this amendment are limited to \$2,425,000 plus financing related costs. The project costs are identified in the following table. Note that the utilities and road improvement costs will be constructed by the Developer and reimbursed by the Village. The total payment to the Developer will not exceed \$2,425,000.

TIF 7 Creation			
Project	Developer	TIF	Total
Land Acquisition	\$2,135,000		\$2,135,000
Site Work	\$1,271,250		\$1,271,250
Utilities (Water, Sewer, Storm)	\$295,000	\$750,000	\$1,045,000
Road Improvements	\$0	\$950,000	\$950,000
Professional/Municipal Fees/Financing/Development Fees	\$1,118,000	\$200,000	\$1,318,000
Utility Burial/Street Lights	\$360,000		\$360,000
Development Incentive		\$500,000	\$500,000
Administrative Costs		\$25,000	\$25,000
Total	\$5,179,250	\$2,425,000	\$7,604,250

V. Methods of Financing

As previously discussed in the Economic Feasibility Study, the Village has numerous options for financing the improvements required for TID No. 7. These options include general obligation notes and bonds, revenue bonds and special assessment bonds. The Community Development Authority of the Village could also be utilized to issue CDA Lease Revenue Bonds to finance the project costs. The specific method of financing will be determined by the Village during the implementation of this project plan, as amended.

Factors which will be considered in determining the most appropriate method of financing for each individual project will include the amount to be financed, the projects to be financed, the terms required by various development agreements, market conditions, changes in state or federal law and the need for financing municipal improvements which are not a part of this project plan, as amended.

The following pages contain a capitalization and amortization schedule for General Obligation Community Development Notes to be issued in 2021.

General Obligation Community Development Notes (2021)

\$2,650,000

PROPOSED MATURITY SCHEDULE

The 2021 project costs are anticipated to be financed with General Obligation Community Development Notes to be issued under authority of Wisconsin Statutes Chapter 67. The following is the proposed schedule for repayment of project costs using estimated interest rates.

Year	Principal	Interest	Total
2022		79,500	79,500
2023		79,500	79,500
2024	125,000	79,500	204,500
2025	250,000	75,750	325,750
2026	350,000	68,250	418,250
2027	350,000	57,750	407,750
2028	375,000	47,250	422,250
2029	400,000	36,000	436,000
2030	400,000	24,000	424,000
2031	400,000	12,000	412,000
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
	2,650,000	559,500	3,209,500

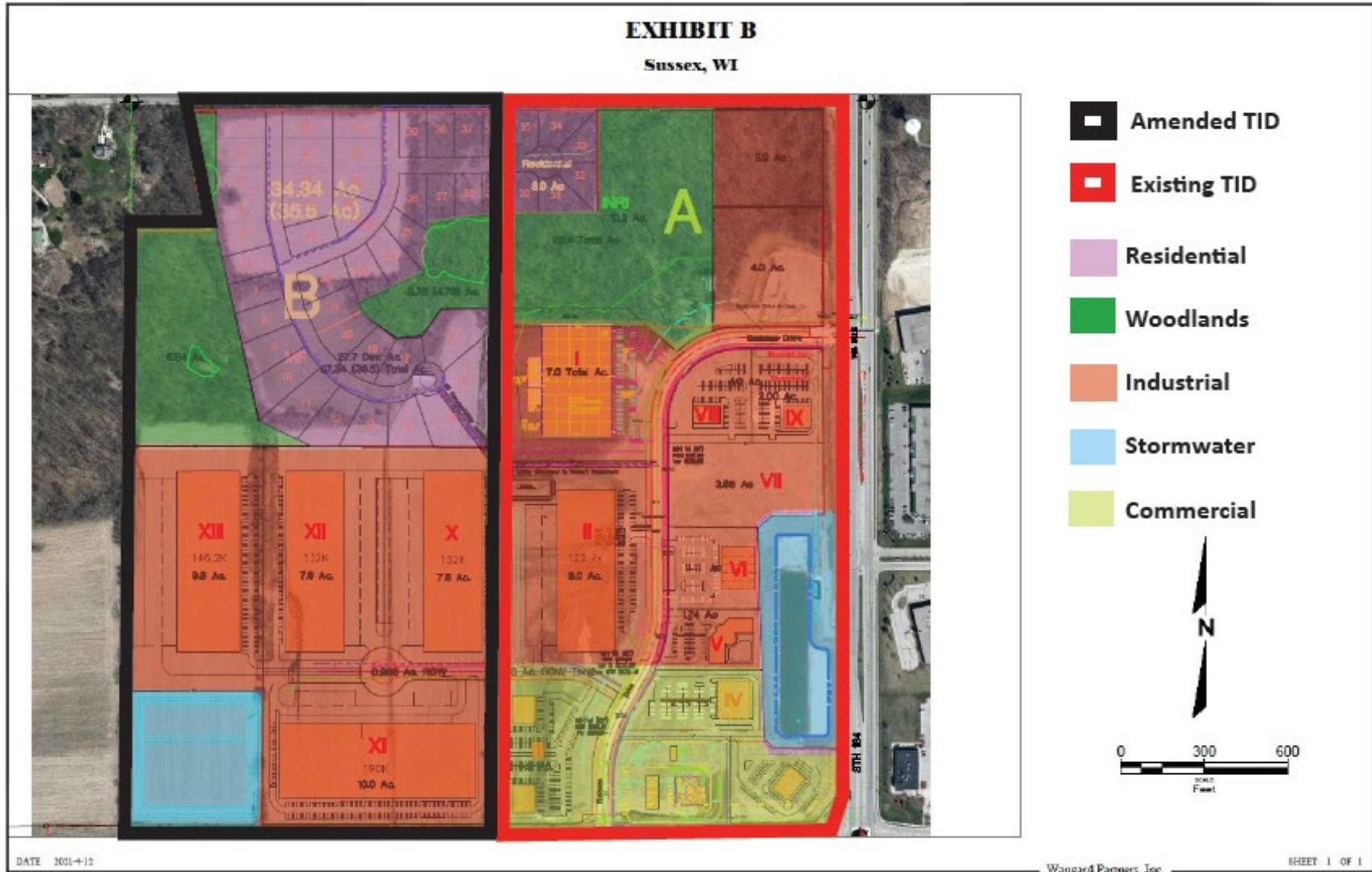
VI. Existing Uses and Conditions



 Woodlands

 Agriculture

VII. Proposed Uses and Conditions



VIII. Equalized Value Test

Wisconsin Statutes Section 66.1105(4)(gm)4.c. limits the amount of taxable property value which can be included in a new tax incremental district. When a district's boundaries are amended to add territory, the base value of the additional parcels combined with the increment values of all existing districts (including the District to be amended) cannot exceed 12% of the total equalized value of all taxable property within the Village. As of January 1, 2020, the equalized value of the Village was \$1,533,703,600, and the total increment value of the Village's tax increment districts was \$46,733,600. The total allowable additional value of the amendment is \$184,044,432 ($\$1,533,703,600 \times 12\%$). The estimated base value of the TID No. 7 amendment combined with the Village's current increment value does not exceed this limit.

IX. List of Estimated Non-Project Costs

In addition to the project costs to be paid by the Developer listed in the detailed list of project costs (see Part IV), it is anticipated that private parties will construct buildings with a projected value of \$26,000,000.

X. Proposed Changes in Zoning Ordinances, Master Plan, Map, Building Codes and Village Ordinances

It is expected that this amended project plan will be complementary to the Village's Master Plan and does not require any proposed changes to the Village's Master Plan. There are no proposed changes to the zoning ordinances, building codes, the map or other Village ordinances for the implementation of this project plan, as amended.

XI. Relocation

It is not anticipated there will be a need to relocate any persons or businesses in conjunction with this project plan, as amended. In the event relocation becomes necessary at some time during the implementation period, the Village will take the following steps and actions.

Before negotiations begin for the acquisition of property or easements, all property owners will be provided an informational pamphlet prepared by the Wisconsin Department of Commerce.

The Village will file a relocation payment plan and relocation assistance service plan with the Department of Commerce and will not proceed with displacement of persons or business concerns until both plans are approved in writing by the Department of Commerce. The Village will also keep records as required in Wisconsin Statutes Section 32.27.

XII. Orderly Development of the Village of Sussex

TID No. 7 and the amended area contribute to the orderly development of the Village by providing the opportunity for continued growth in tax base and job opportunities.

XIII. Attorney Opinion

OPINION OF THE ATTORNEY FOR THE VILLAGE ADVISING WHETHER THE PLAN IS COMPLETE AND COMPLIES WITH WISCONSIN STATUTES, SECTION 66.1105.

[Insert draft attorney letter when received]

COMMUNITY DEVELOPMENT AUTHORITY OF THE
VILLAGE OF SUSSEX
RESOLUTION NO. 21-08

RESOLUTION AMENDING BOTH THE BOUNDARIES AND
PROJECT PLAN AND ADOPTING THE SAME FOR TAX
INCREMENTAL DISTRICT NO. 7 OF THE
VILLAGE OF SUSSEX, WISCONSIN

WHEREAS, it is determined to be necessary, desirable and in the best interest of the Village of Sussex, Wisconsin (the "Village") to provide for additional industrial lands to expand upon the industrial and commercial development in the northwest corner of STH 164 and CTH K on properties located immediately west of the existing TIF in the Village;

WHEREAS, under the provisions of Section 66.1105 of the Wisconsin Statutes, the Village has the power to amend the boundaries and project plan of a Tax Incremental District to assist in financing the promotion of industrial development in the Village;

WHEREAS, the Village desires to exercise its power under Section 66.1105 of the Wisconsin Statutes to amend the boundaries and project plan of a Tax Incremental District for the purpose of promoting industrial development;

WHEREAS, the Community Development Authority of the Village of Sussex (the "Authority") has prepared a Project Plan including the amended boundaries for Tax Incremental District No. 7 in the Village (the "Project Plan");

WHEREAS, the Project Plan will promote industrial development within the meaning of Sections 66.1105 and 66.1101 of the Wisconsin Statutes; and

WHEREAS, on May 18, 2021 the Authority held a public hearing on the proposed Project Plan for Tax Incremental District No. 7 (the "District") and has considered public input received at such hearing.

NOW, THEREFORE, be it resolved by the Community Development Authority of the Village of Sussex, Wisconsin, as follows:

Section 1. Boundaries of the District. The boundaries of the District shall be amended as described on the Map and the Legal Description, which are attached to this Resolution as Exhibits A and B, respectively.

Section 2. Adoption of Project Plan and Submission of Project Plan to the Village Board. The Amended Project Plan for the District which is attached to this Resolution as Exhibit C is adopted and submitted to the Village Board of the Village for final approval.

Approved: May 18, 2021

Chairperson

Attest:

Secretary