

Assembly Hearing Slip

(Please print plainly)

Date: 5-23-01

Bill No. AB385

Or
Subject _____

Name Sen. Rod Wren

Street Address or Route Number _____

City and Zip Code 51st Sen. Dist

Representing _____

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input checked="" type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 5-23-01

Bill No. 385

Or
Subject _____

Name William C. Tuel

Street Address or Route Number 324 Oakwood Hills Parkway

City and Zip Code Earls Cross, Wisconsin 54701

Representing Village of Fall Creek

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

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Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 5-23-01

Bill No. AB 385

Or
Subject _____

Name LENN MADSEN

Street Address or Route Number 220 E. Washington

City and Zip Code Fall Creek, WI 54724

Representing Village of Fall Creek President

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: May 23, 2001

Bill No. 385

Or ITF

Subject ITF

Name BRAD HUB

Street Address or Route Number 107 West Cape

City and Zip Code _____

Representing Rep Herrick

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 5/23/01

Bill No. 385

Or _____

Name Bene Boerschild

Street Address or Route Number 262 S. Pine St.

City and Zip Code Fall Creek, WI 54742

Representing Village of Fall Creek

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 05-23-01

Bill No. 385

Or ITF DISTRICT

Name HELEN HARTMANN

Street Address or Route Number 247 W. KINGBELL LN

City and Zip Code FALL CREEK, WI, 54742

Representing VILLAGE OF FALL CREEK

Speaking in favor:	<input checked="" type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Assembly Hearing Slip

(Please print plainly)

Date: 5/23/01

Bill No. A-385

Or
Subject _____

DAVE CRESLER
Name (PLEASE PRINT)

160 N. Linden St.
Street Address or Route Number

WISN 53703
City and Zip Code

1000 HAZARDS OF GIZ
Representing

Speaking in favor:	<input type="checkbox"/>
Speaking against:	<input type="checkbox"/>
Registering in favor:	<input type="checkbox"/>
Registering against:	<input type="checkbox"/>
Speaking for information only:	<input type="checkbox"/>
Neither for nor against:	<input checked="" type="checkbox"/>

Please promptly return this slip to the messenger at the committee.

Provided by:
Assembly Sergeant at Arms
411 West, State Capitol
Madison, WI 53708

Est TIF as of Jan 00

But inadvertently split a parcel which created problems.

Can certify TID of 00

but will cert base as of

00. They will lose one year of value.

Get full increment. Revenue

will ~~be~~ certify as of Jan 02

lose 1 yr of payment.

Split parcel in original plan not accounted for. Village went thru process properly to amend TIF proposal but DOR rejected the amended proposal on the grounds that time between PH and planning commissions was insufficient. Helen Hartman admin They performed infrastructure work prior to having TID approved by DOR

Getting letters from school district & other taxing jurisdictions

Assembly Committee on Ways and Means

DATE _____

Moved by _____

Jesk

Seconded by _____

Pocan

 AB 385 _____

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

A _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

 Passage

 Introduction

 Adoption

 Rejection

 Indefinite Postponement

 Tabling

 Concurrence

 Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Mickey Lehman, chair	1			
2.	Rep. John Ainsworth, vice-chair	2			
3.	Rep. Suzanne Jeskewitz	3			
4.	Rep. Frank Lasee	11			
5.	Rep. Samantha Starzyk	4			
6.	Rep. Tom Sykora	5			
7.	Rep. Carol Owens			1	
8.	Rep. Luther Olsen	6			
9.	Rep. Wayne Wood	7			
10.	Rep. Bob Ziegelbauer			2	
11.	Rep. Johnie Morris-Tatum	10			
12.	Rep. Mark Pocan	8			
13.	Rep. Bob Turner	9			
Totals		11	0	2	

 MOTION CARRIED

 MOTION FAILED

Village of Fall Creek

122 E. Lincoln Ave., PO Box 156, Fall Creek, WI 54742

Phone: 715-877-2177 Fax: 715-877-2392

May 22, 2001

Chairman Lehman & Members of the
Ways and Means Committee
Wisconsin State Assembly
Madison, WI 53708

Dear Mr. Lehman and Members of the Committee:

I am writing this letter to request your support for Assembly Bill #385.

Fall Creek is a relatively small village that has minimal commercial and industrial development due in part to it's proximity to much larger Eau Claire. We have been basically a bedroom community with the tax base heavily centered on the local residential taxpayers. I have been a member of the Fall Creek Economic Development Committee for years. The business that moved into our proposed tax incremental financing district was the only significant new business development in recent memory!

The actual physical development of this complex is nearly complete. When it was initiated, the business was on a tight schedule due to its expansion and loss of it's previous facilities. The improvements are in, the money borrowed and spent. The loan will have to paid for by the TIF District or the local taxpayers. The Village Board proceeded in good faith as no obstacles were foreseen. Instead of creating tax relief, the objective of the whole project, local property taxes will significantly increase if the TIF District is not successfully established. Also, a failure may stymy any potential future development on the purchased land.

I served as President of the Joint Review Board to create the proposed TIF District. The creation of the TIF District received unanimous support from all of the affected taxing entities. It was agreed that this TIF was in the long term interest of Fall Creek and the surrounding area.

The Village of Fall Creek has had to undertake significant projects within the last two years due to deterioration of infra-structure. They include replacement of our water tower, replacement of our village shop and replacement of our fire department building. In addition to the aforementioned, the Wisconsin DOT has advised the Village that the main street (USH 12) is scheduled for replacement and the Wisconsin DNR has indicated replacement of our sewage treatment plant will be required in the not to distant future.

Page 2

The idea of a TIF District was to provide tax relief in the long term and the business there will do that eventually whether or not a TIF District is created. However, if this effort is unsuccessful, the immediate short term (15-20 years) effect on the local property tax rate will be disastrous. A failure combined with state mandated projects (sewage treatment and main street replacement) may create solvency issues for the village in addition to an unacceptably high property tax.

Your help and support in passage of AB 385 is necessary to rectify this seemingly arbitrary decision by the Department of Revenue to reject the proposed TIF District.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in cursive script that reads "Kenneth Jain".

Kenneth Jain
Village Trustee



KRAUSE, HOWARD & COMPANY, S. C.
CERTIFIED PUBLIC ACCOUNTANTS

KERRY L. KARNITZ, CPA
RICHARD W. YAEGER, CPA
THOMAS R. GELHAR, CPA

May 22, 2001

Honorable Rob Kreibich
Wisconsin State Assembly
93rd Assembly District
PO Box 8952
Madison WI 53708

RE: Village of Fall Creek
Tax Incremental Financing District (TID)

Dear Mr. Kreibich:

For several years the Village of Fall Creek has attempted to bring new business and industry to the Village. An area business approached the Village with a desire to build a sizeable facility and provide employment opportunities for Village residents. As part of the development, a TID was to be created, to cover the Village share of the project, which consisted of street, water and sewer improvements. The Village borrowed \$170,000 from a local bank and internally raised \$100,000 to pay for the improvements. The business then purchased property, constructed a facility and is operating.

The Village share of the project was carefully structured so the TID property taxes would be sufficient to make the payments, and not be a burden on the local property taxpayers. The debt service on the bank loan is over \$20,000 per year, which would increase the local levy by over 10% a year, which would impact the low income and elderly taxpayers very significantly.

The approval of the creation of the TID is critical to the future financial stability of the Village, and to prevent this burden from being placed on the local property taxpayers.

Sincerely,

KRAUSE, HOWARD & COMPANY, S.C.

Donald G. Stabenow
Certified Public Accountant
Audit Manager - Village of Fall Creek Audit

DGS:jsw

P.O. Box 3211
Eau Claire, WI 54702-3211
715.833.2393
715.836.9871 Fax

P.O. Box 237
Spooner, WI 54801
715.635.6900
715.635.6901 Fax

May 22, 2001

Chairman Lehman and members of the Committee on Ways and Means
Room 103 West
State Capitol
P.O. Box 8952
Madison, WI 53708-8952

Dear Chairman Lehman and Committee Members:

The purpose of this letter is to provide comments for the AB385 hearing scheduled for May 23rd at 9:30 a.m. The Village of Fall Creek is attempting to establish a tax incremental financing district and needs AB385 to complete this process.

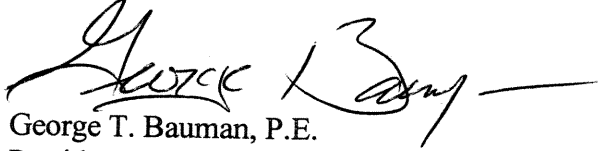
The Village of Fall Creek is a residential community located in Eau Claire County, Wisconsin. An objective of the Village Board is to enrich its primarily residential character with planned industrial growth. In 2000, Fall Creek proceeded through the steps to establish a tax incremental financing district for industrial growth. The Fall Creek Village Board specifically desired to have the proposed TIF district defined to include only industrial property. Prior to submitting the TIF district documentation for Department of Revenue approval, a Certified Survey Map was completed to define the district boundaries. The CSM did split one existing parcel. The village, unfortunately, learned just before submitting the TIF documentation to the DOR, that the TID must contain whole parcels as of January 1, 2000, rather than as of the September 30, 2000 submittal date. The village attempted to redistrict the TID just prior to September 30, 2000; but they were not successful.

The Village of Fall Creek is respectfully requesting the Committee on Ways and Means and the State legislature pass AB385 establishing TIF 1 for Fall Creek. The proposed TID contained approximately 11 acres of industrially zoned and unimproved land. Fall Creek seeks to establish a revised TID containing approximately 16 acres of industrially zoned and unimproved land. The 16-acre area would include only whole parcels established as of January 1, 2000. Please refer to the attached map showing the district boundary revision. Establishing this TID has significant positive impacts for Fall Creek.

The TID provides for industrial growth in the Village. This industrial growth will provide employment opportunities for Fall Creek residents and high school graduates. Workers in the TID will also spend money in the local stores and may help revitalize part of the downtown area. Industrial tax base also helps moderate the school portion of the municipal property tax. The Village of Fall Creek has also expended considerable funds to develop this industrial park and generate a tenant. Without the TIF development program, the existing municipal property tax rate will increase significantly.

Thank you for your time and consideration of this needed legislation. We sincerely hope the Committee on Ways and Means and State legislature will look favorably on this project.

Sincerely,

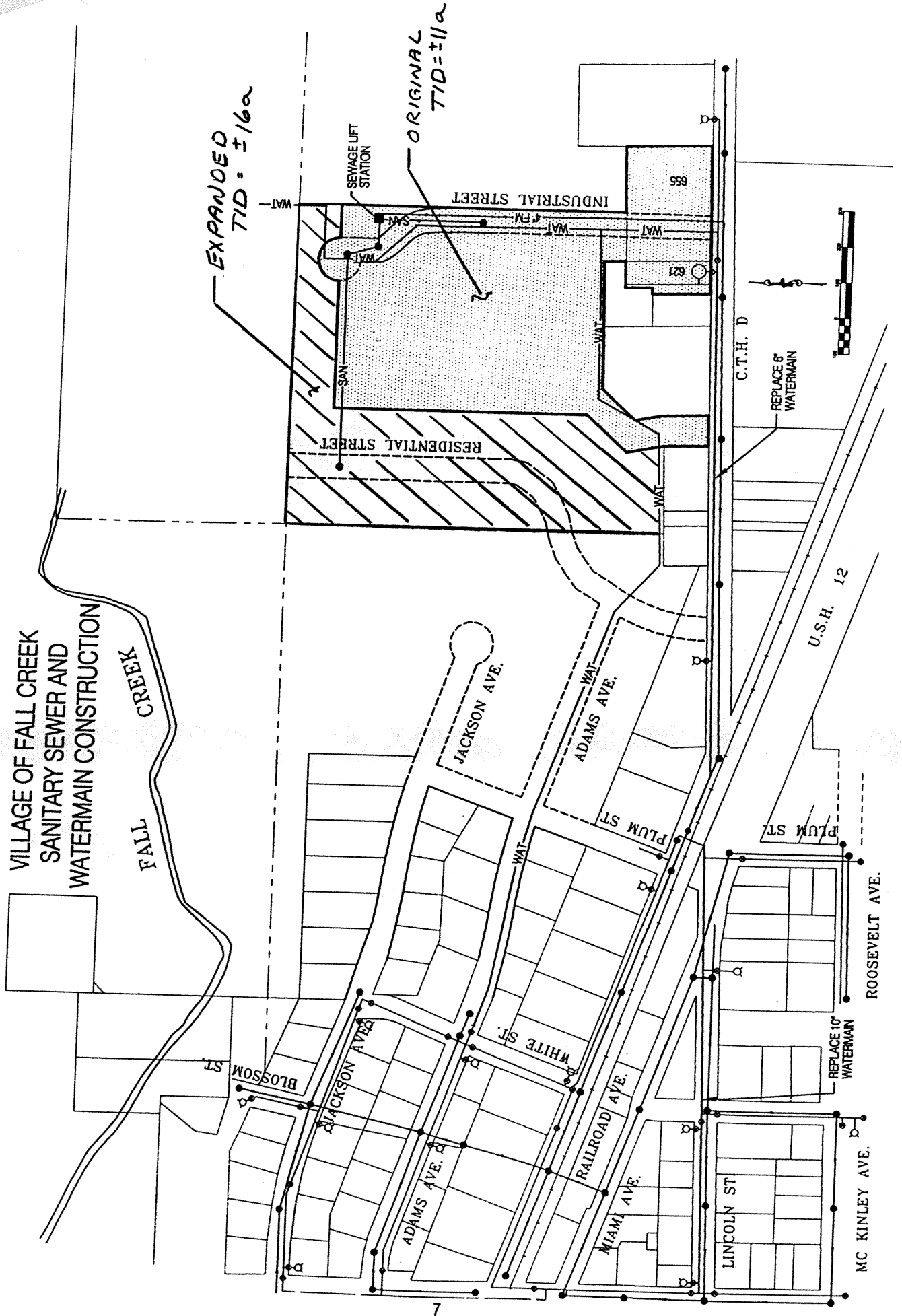
A handwritten signature in black ink, appearing to read "George T. Bauman", with a horizontal line extending to the right.

George T. Bauman, P.E.
President, ECG
Fall Creek Village Engineer

hls

MAP 3

VILLAGE OF FALL CREEK
SANITARY SEWER AND
WATERMAIN CONSTRUCTION



May 22, 2001

State Assembly
Committee on Ways and Means
Assembly Bill 385

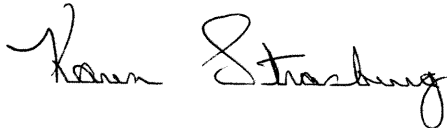
RE: Fall Creek TIF District

Fall Creek is a small community located 12 minutes from the city of Eau Claire (pop.50,000 +). With the proximity to Eau Claire it is very difficult for us to maintain a business community. Having lived in Fall Creek for the past 52 years I have seen the small businesses that used to thrive here leave town or not be bought by new owners. Fall Creek has much to offer all age groups and is a desirable place to live but our taxes are high. When a business contacted us saying they were interested in building in the Village it seemed like a wonderful opportunity for Fall Creek to finally get some tax relief. We proceeded to try to establish a TIF district. Thinking that everything had been done according to the rules and the District had been approved, the new business began plans to build.

Also during this time our Village applied for and received a grant to build a new and much needed water tower and fire station. Even with the grant our taxpayers still were responsible for a large debt. They cannot afford to pay any more.

There is a great deal of community support for the new business that is now operating in the Village but if we cannot fund it through the TIF district it may be necessary for some people to leave Fall Creek because their tax rates are too high. Not getting approval for the TIF would be a huge blow to the efforts we have been trying to establish to improve our small town.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Karen Strasburg". The signature is written in dark ink and is positioned above the printed name.

Karen Strasburg
Village Trustee

May 22, 2001

Re: Assembly Bill #385
TIF District

To the Ways and Means Committee,

I regret I could not be there in person, so I am writing to let you know my feeling on this bill.

As a village trustee, I am concerned about our village residents if this bill does not pass. Our village was in great need for a new water tower, village shop, and fire station so we had no choice but to build them. The water was too small to handle the village's needs, the village shop was falling down and the fire station was condemned. For these reasons we have had to borrow alot of money and don't have the resources to do so. We have had to raise the property taxes considerably.

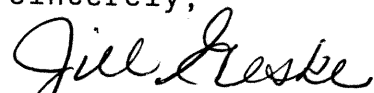
When a two million dollar business approached us, we of course did what we could to get this business into our village. We were concerned as to how we could afford a street and so on for this company. Someone informed us about making a TIF district and so that is what we did. It isn't easy to get businesses into our little village so we did what we could to get them here.

The TIF district, in all, would help the village, schools, county, and state. We hope you will consider letting us have this TIF district. If you decide we are not able to have this, we will in time loose residents. Our village will have to tax everyone so high that they will have to move.

We have prided our village for our school, but we won't have that if we have to tax the people out.

I am requesting the passage on the the Assembly Bill #385. It would benefit everyone.

Sincerely,



Jill Geske, Village Trustee

Village of Fall Creek

***122 E. Lincoln Ave., PO Box 156, Fall Creek, WI 54742
Phone: 715-877-2177 Fax: 715-877-2392***

May 22, 2001

Re. M. Lehman, Chairperson
Ways and Means Committee
Wisconsin State Assembly
Madison, WI 53708

Dear Mr. Lehman:

This letter is in support of the passage of Assembly Bill #385 submitted by Rep. Rob Kreibich and Senator Rod Moen to rectify an procedural error made by the village in the establishing a TIF District.

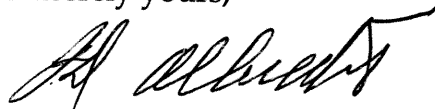
As a member of the Village Economic Development Committee, I can tell you that we have been trying to establish an industrial park for the past ten years. Without an industrial park, we have been unable to entice businesses to locate in our village.

We were approached by Mailsourse to locate within the village with a provision that we would provide the infra-structure to support their business. In order for the village to accomplish this financially, a TIF District would have to be established. The village could not afford this infra-structure without real hardship on the taxpayers who are primarily homeowners.

If this TIF District is approved and when the infra-structure debt is paid off, the taxpayers will benefit from the taxes by this industry. Also, the village would then have an established industrial park to entice future industry.

Your approval of the legislation would be gratefully appreciated.

Sincerely yours,



J. D. Albrecht
Zoning Administrator

M&I Marshall & Ilsley Bank

103 East Lincoln/PO Box 429/Fall Creek, WI 54742-0429/Tel 715 877-2311

www.mibank.com

May 22, 2001

Rep. M. Lehman, Chairperson
Ways and Means Committee
Wisconsin State Assembly
Madison, WI 53708

Dear Mr. Lehman:

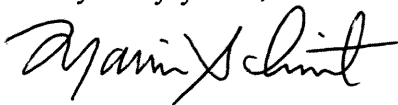
This letter is in support of the passage of the Assembly Bill #385 submitted by Rep Rob Kreibich and Senator Rod Moen.

As a member of the Fall Creek Village Economic Development Committee, I can personally tell you how frustrating it has been trying to encourage new businesses to this community. When Mailsorce was interested in coming to the village, we were very intent on helping them in any way we could. A TIF District seemed to be the most feasible method available and the community, school and county accepted the idea with enthusiasm.

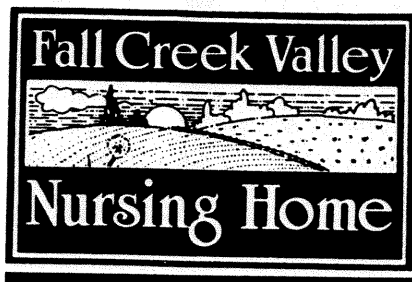
I feel that the local taxpayers would not be able to afford paying for this industrial park infra-structure without some type of fiscal help. Most of our residents are retired people or families with children to raise and education, so their resources are already being stretched to their limits. Without some industrial help with our local property taxes, we will price ourselves out of living in this wonderful community.

Please consider passing Assembly Bill #385 which is needed to clear up a small technicality and provide this community with some concrete fiscal assistance.

Very truly yours,



Marv Schmit



P.O. Box 398, 344 W. Lincoln Ave., Fall Creek, WI 54742

715/877-2411 • Fax 715/877-2651

May 22, 2001

Rep. M. Lehman, Chairperson
Ways and Means Committee
Wisconsin State Assembly
Madison, WI 53708

Dear Mr. Lehman:

I am writing to ask you to support Assembly Bill #385 submitted by Rob Kreibich and Senator Rod Moen.

As a member of the Joint Review Board for the TIF District, I was personally involved in the explanation and reaction of the Board members to the idea of a TIF District. I can assure you that there was no wide opposition to this proposal when it was presented. Questions were asked and more than sufficiently answered to satisfy the members.

This community really needs to have some fiscal assistance with their property taxes and when the TIF debt is paid, the entire community will benefit from the industrial taxes generated by the industrial park businesses.

It has been an ongoing effort for several years to bring industry into this village both for job opportunities and the property tax relief. It seems at last, we have an interested business and we need to make every effort to help them succeed.

Please give this bill your support and help us attain our local goals.

Very truly yours,

A handwritten signature in cursive script that reads "Mike Ryan".

Mike Ryan, Administrator
Fall Creek Valley Nursing Home

Medicare Approved
Non-profit, Skilled Care

To: Assembly Ways + Means Committee
Subject: Village of Fall Creek TIF District #1

I strongly urge this committee to help the Village of Fall Creek avoid a potentially disastrous situation, in view of the recent denial of TIF District status for this project.

Undoubtedly, you are aware of the specifics of this case.

After a review of ongoing projects, it was determined that this opportunity was very feasible as a TIF District.

Even with the time constraints, all work was completed in a considered and timely manner.

Then, a small oversight was addressed by an amendment to the completed work. Therein, as you know, lies our problem.

Please note that all taxing entities are in favor of the project and the amendment. The company is a viable tax-paying member of the community with plans for expansion.

Denial of this TIF District seems a rather severe penalty to the tax-payers of this progressive community, when even our corporate counsel could not interpret the nuance of the rules of the Dept. of Revenue.

Please help us.

Sincerely,
Richard Kulbert
Former Village Board Member &
Present Plan Commission Member

Attorneys At Law

Joel L. Aberg*
John Robert Behling
Christopher R. Bloom
Richard D. Duplessie
Frederick W. (Ted) Fischer
Christine A. Gimber*
Thomas J. Graham, Jr.
Jeffrey W. Hart
William R. Lamb
Donald R. Marjala
G. Scott Nicaastro
Jack A. Postlewaite
Kathryn J. Prenn
Richard J. Ricci
Thomas B. Rusboldt
Victoria L. Seltun*
William G. Thiel
James M. Ward
Paul H. Weinke
Stephen L. Weld
William J. Westerlund

Of Counsel:
Geo. Michael Carroll

Stevens L. Riley, 1932-2000

Weld, Riley,
Prenn & Ricci, S.C.

A Wisconsin Limited
Liability Entity

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Mondovi: 715-926-5533

www.wrpr.com

*Also licensed to practice
in Minnesota.

May 23, 2001

Hon. Michael A. Lehman
Representative
Wisconsin 58th Assembly District
Chairperson
Assembly Ways and Means Committee
Room 103 West
State Capitol
Madison WI 53708-8952

Re: **Assembly Bill # 385; Village of Fall Creek Tax Incremental Financing
District #1**

Dear Assemblyman Lehman:

On behalf of my client, the Village of Fall Creek, I wish to extend to you and the members of your Committee the appreciation of the Village for the attention which you paid to our presentation in support of Assembly Bill #385.

I would also like to supplement my response to one of your questions raised during the Public Hearing on the Bill, namely, why did the Village begin to expend monies related to the Tax Incremental Financing District prior to its "establishment"? Having had the opportunity to think through this question during my return trip from Madison, I have the following more in-depth response to offer to you.

First of all, the Village did not solicit legal advice on this issue at the time. It is only now, in contemplation of your question, that I have given the matter any degree of thought. As I advised you, the paperwork regarding the Tax Incremental Financing District (TIF) in question was delayed due to the illness of the Village Clerk. Additionally, the Village had bound itself in a Developer's Agreement with the industrial occupant of lands within the TIF boundaries to commence construction of its municipal infrastructure in exchange for its commitment to commence construction of its projected \$2,000,000 in improvements to the real estate. Insofar as the industrial user met its obligations, the Village was in the position that as to the initial phase of TIF improvements, it was required by contract to pursue its end of the bargain.

*Have to
Andrew to see
of our
of TIF bill comes
there.*

Hon. Michael A. Lehman
May 23, 2001
Page 2

What I have stated above are practical reasons as to why the Village proceeded as it did. As for a review of the law, itself, I offer the following to you, referencing the current law found at §66.1105, Wis. Stats., formerly §66.46, Wis. Stats., at the time that the Village took action to create this TIF District.

Under §66.1105(4)(gm), Wis. Stats., a TIF District is created upon the adoption by the implementing municipality of a resolution approving of the TIF "Project Plan" and establishing the boundaries of the district. Further, in accord with sub. (4)(gm)2., the TIF is created thereby "as of the date provided in the resolution." In the instant case, the date of creation was stated by the Village Board to have been January 1, 2000. In my opinion, barring further express language in the statute to the contrary, §66.1105(4)(gm), Wis. Stats., causes a TIF District to be created upon adoption of a resolution adopted under this statute. However, as you are well aware, the tax increment, together with the tax incremental base must be determined. Sec. 66.1105(5)(a), Wis. Stats., states as follows:

Upon creation of a tax incremental district or upon adoption of any amendment subject to par. (c), its tax incremental base shall be determined **as soon as is reasonably possible**. (Emphasis supplied).

This speaks to two, separate albeit related events. First, there is the requirement that the municipality create the TIF. Secondly, the Department of Revenue, in consultation with the municipality under §66.1105(5)(b), Wis. Stats., shall determine the tax consequences vis a vis the base and increments. As I view it, although the Department of Revenue may be in the position under this statute to refuse to calculate the base/increments as per its own determination of the insufficiency of action taken by a municipality, since its action in calculating the tax consequences is, in effect, administrative, I don't see that it has the power to void action taken by a municipality to create a TIF District. It would appear to me that only a taxpayer or one of the coterminous taxing authorities would have that ability by taking the municipality to Circuit Court.

Correspondingly, once a resolution has been adopted under §66.1105(4)(gm), Wis. Stats., the TIF District is created and, hence, expenditures under its auspices are legally authorized by the municipality and subject to recapture from increments once the process of administratively determining the base and increments has been undertaken.

In the instant matter, what is so critical to the Village of Fall Creek is that virtually 100% of the increments in value anticipated during the life of the TIF District were created during the first year of its existence, that being 2000. Therefore, even though its error in including only a partial parcel of real estate in its TIF District was—and remains—correctable, to do so would mean that the Village would lose the entire increment, thus rendering the TIF District to be essentially meaningless. Had the improvements of one or more owners and occupants of real estate in the TIF District taken place over a period of years, the critical need to seek legislative assistance would not have been as great as it is.

Hon. Michael A. Lehman
May 23, 2001
Page 3

I listened to the speaker who followed our presentations, referring to a bill that is in process to potentially amend the TIF law. Perhaps the question which you raised and to which I have provided you with a response merits consideration, as well. Although I believe that my response is legally viable, it doesn't alleviate the consternation not only of a municipality, such as the Village of Fall Creek at having to seek special dispensation, nor concerns of others who take positions, one way or the other, as to the application of the TIF law regarding some of its less well defined components and their practical application.

Once again, Representative Lehman, I appreciate your interest and your concerns and I hope that this letter better spells out my position as legal advisor to the Village on the question at hand. I apologize to you for not having anticipated your question and, thus, being capable of directly responding to it during the course of my testimony.

Should you have any other questions or require any further clarification, do not hesitate to contact me.

Very truly yours,

WELD, RILEY, PRENN & RICCI, S.C.



William G. Thiel

WGT/db

c: Renee Roemhild, Village Clerk
Representative Rob Kreibich

F:\Docs\CITY\Fall Creek\0001TIF\expenditures explanation letter.wpd



Michael (Mickey)
Lehman

State Representative

58th Assembly District

Committee Chair: Ways and Means

Memorandum

To: Members, Assembly Ways and Means Committee

From: Rep. Mickey Lehman

Date: June 4th, 2001

Re: June 6th, Ways & Means Meeting

During the Ways & Means public hearing on Assembly Bill 385, Representative Lehman requested from the Village of Fall Creek, letters of support for AB 385 from the taxing jurisdictions affected by the legislation. Attached to this memo are copies of the letters received.

Office: P.O. Box 8952 • Madison, WI 53708-8952 • (608) 267-2367 • Toll-free: (888) 534-0058 • Fax: (608) 282-3658 • Rep.Lehman@legis.state.wi.us
Home: 1317 Honeysuckle Road, Hartford, WI 53027 • (262) 673-3967

58th District Includes - CITIES: Cedarburg, Hartford and West Bend (Wards 23-29, 34-38, 40, 41, 43-47, 49, 51-53); VILLAGES: Jackson, Neosho and Slinger;
TOWNS: Addison, Cedarburg (Wards 1,2,3,6, and 7), Hartford, Jackson, Polk (Wards 1, 2, 3, 4, 5 and 8), Rubicon, Trenton and West Bend

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SCHOOL DISTRICT
OF

Fall Creek

*School and Community Commitment
to Educational Excellence*

FALL CREEK, WISCONSIN 54742

May 29, 2001
The Hon. Michael A. Lehman
Wisconsin 58th Assembly District
Chairperson
Wisconsin Assembly Ways and Means Committee
Room 103 West
State Capitol
Madison, WI 53708-8952

Re: Assembly Bill #385; Village of Fall Creek

Dear Chairperson Lehman:

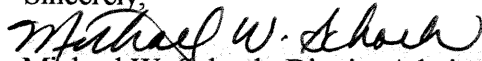
I am writing in support of Assembly Bill #385 which would effectively validate the creation of Tax Incremental Financing District #1 of the Village of Fall Creek, retroactive to January 1, 2000. I am the Administrator of the School District of Fall Creek, one of the taxing authorities which shares in revenues generated from real and personal property taxes imposed in the Village of Fall Creek and in that capacity I was authorized by the Board of Education to represent the School District's interests on the Joint Review Board which was appointed to study and make its recommendations to the Village Board regarding this proposed tax district.

Please be advised that the School District is aware that should this bill become law, the School District will, for the current calendar year, become the recipient of revenues arising from the increment in value from the real estate within the proposed Tax Incremental Financing District due to the concept that although the increment will be segregated, the Village cannot collect the increment and apply it to its expenditures until the 2002 tax year. This is to advise the Assembly and your Committee that the School District has no objections to the increment being retained by the Village in years commencing with 2002 and continuing during the life of the Tax Incremental District for application to its Tax Incremental expenditures.

It is the position of the School District that segregating the incremental tax revenues to pay for Village expenditures will be of benefit not only to the Village of Fall Creek but to the School District as well. In the long run all taxing authorities will benefit from the efforts of the Village to promote growth and development of tax revenues in the Village.

Thank you for your consideration.

Sincerely,


Michael W. Schoch, District Admin.

MWS/ht
MICHAEL W. SCHOCH

JAMES. R. SUTHERLAND

BRIAN W. SCHULNER

GERRY J. NOLAN

DISTRICT ADMINISTRATOR
336 E. HOOVER AVENUE
(715) 877-2123
(715) 877-2911 FAX

ELEMENTARY SCHOOL PRINCIPAL
336 E. HOOVER AVENUE
(715) 877-3331

MIDDLE SCHOOL PRINCIPAL
336 E. HOOVER AVENUE
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HIGH SCHOOL PRINCIPAL
336 E. HOOVER AVENUE
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**Eau Claire County
County Board of Supervisors**
721 Oxford Avenue, Room 2570
Eau Claire, WI 54703-5481

Hon. Michael A. Lehman, Representative
Wisconsin 58th Assembly District
Chairperson
Assembly Ways and Means Committee
Room 103 West
State Capitol
Madison WI 53708-8952

Re: **Assembly Bill #385; Village of Fall Creek Tax Incremental Financing District #1**

Dear Chairperson ~~Lehman~~ *Mike*

I am writing on behalf of Eau Claire County in support of Assembly Bill #385 whose intent it is to rectify a technical error which occurred in the creation of Tax Incremental Financing District #1 of the Village of Fall Creek, resulting in the Department of Revenue refusing to establish its base and tax increments, the latter to be used toward Village expenses in installing sewers, water service and streets to serve an industrial development which has created a number of jobs in Village.

Eau Claire County was a participant, as a taxing authority, in the Joint Review Board which ratified the creation of this District. While we acknowledge that due to the error of the Village in its manner of establishing the Tax Incremental Financing District, Eau Claire County will, for the tax year of 2001, share in the increments in value as to property in the territory included in that district, the County has no objection to the tax revenues being segregated thereafter for application by the Village against the District expenditures in which it has engaged.

It is the position of Eau Claire County that segregating the incremental tax revenues to pay for the Village's expenditures will be of benefit not only to the Village of Fall Creek but to the County in general, for by facilitating industrial development of vacant land, the Village has assisted in the creation of a job base which will benefit citizens of the County at large. In the long run, all taxing authorities, including the County, will share in the results of the efforts of the Village to promote the growth of tax revenues in the Village.

Thank you for your consideration.

Howard Ludwigson
Howard Ludwigson

Chairperson
Eau Claire County Board of Supervisors



May 24, 2001

Hon. Michael A. Lehman, Representative
Wisconsin 58th Assembly District
Chairperson, Assembly Ways and Means Committee
Room 103 West State Capitol
Madison WI 53708-8952

Eau Claire Campuses

Clairemont
West
Gateway

620 W. Clairemont Ave.
Eau Claire, WI 54701-6162
715-833-6200
Fax 715-833-6470
www.chippewa.tec.wi.us

RE: TAX INCREMENTAL FINANCING DISTRICT #1, VILLAGE OF FALL CREEK; ASSEMBLY BILL #385

Dear Chairperson Lehman:

In my capacity as President of the Chippewa Valley Technical College, one of the taxing authorities which shares in tax revenues from property in the Village of Fall Creek, Eau Claire County, I am writing in support of Assembly Bill #385. It is my understanding that due to a technical error, the Village's attempted creation of this District, retroactive to January 1, 2000, was rejected by the Department of Revenue.

This letter is to acknowledge that the technical college understands that due to the technical defect in the Village's creation of this TIF District, and due to the further fact that an industrial user of property in the TIF District has added substantial improvements to property, the technical college will receive additional revenues from the property located within the District for the 2001 tax year; however, if the Assembly bill is adopted, thereafter the increments over the property's value as of January 1, 2000, will flow to the Village to repay it for its infrastructure expenses. This letter is to indicate to the Assembly that the technical college has no objection to this.

The Chippewa Valley Technical College was a participant on the Joint Review Board and acknowledged, by its participation and positive vote in favor of the creation of the District, the benefit not only to the Village of Fall Creek but to the community at large and this college, of its attempt at encouraging industrial development of property within the Village by means of creation of TIF District #1. I respectfully recommend to the Assembly that it favorably view the bill in question and that it adopt it.

Sincerely,

A handwritten signature in cursive script that reads 'Wm. A. Ihlenfeldt'.

William A. Ihlenfeldt, Ph.D.
President

CJ:PRESIDENT:LEHMAN LTR 052401

An affirmative action employer
and educational institution.

William A. Ihlenfeldt, PhD
President

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number **01-3245/1** Introduction Number **AB-385**

Subject
 The filing, and acceptance by DOR, of documents related to the creation of a tax incremental financing district

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
- 1. Increase Costs
 - Permissive Mandatory
- 2. Decrease Costs
 - Permissive Mandatory
- 3. Increase Revenue
 - Permissive Mandatory
- 4. Decrease Revenue
 - Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEGS

Affected Ch. 20 Appropriations

Agency/Prepared By DOR/ Rebecca Boldt (608) 266-6785	Authorized Signature Dennis Collier (608) 266-5773	Date 05/16/2001
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Fiscal Estimate Narratives
DOR 05/16/2001

LRB Number 01-3245/1	Introduction Number AB-385	Estimate Type Original
Subject		
The filing, and acceptance by DOR, of documents related to the creation of a tax incremental financing district		

Assumptions Used in Arriving at Fiscal Estimate

When a city or village creates a tax incremental district (TID), it must hold a public hearing at least 30 days before adopting a resolution to create the TID. After the municipality has adopted a resolution to create a TID, a joint review board is convened to review and approve the resolution. The joint review board is made up of representatives from the overlying taxing jurisdictions (the municipality, county, school district, and technical college) and one public member. No TID may be created unless the joint review board approves the resolution to create the TID not less than 10 days nor more than 30 days after receiving the resolution.

A municipality that creates a TID must file certain forms and applications with the Department of Revenue (DOR) on or before December 31 of the year in which the TID is created. DOR uses the forms and application to certify the tax incremental base value of the TID. DOR cannot certify a TID base value until it determines that certain procedures and documents have been timely completed and all required notices have been timely given.

Improvements and development that occur after the TID's creation lead to increases in its value over the base value. The property taxes levied by all taxing jurisdictions (i.e. the municipality, county, school district, and technical college) on the TID's value increment are used to pay the TID's project costs. In this way, the cost of creating the TID is not incurred solely by the municipality but is rather shared by all taxing jurisdictions.

The bill would create exceptions to the requirement that a public hearing be held at least 30 days before adopting a resolution to create a TID and to the requirement that the vote by the joint review board take place not less than 10 days nor more than 30 days after receiving the creation resolution. Under the bill, the Department of Revenue is to certify a TID that was created before June 2000 and was amended in September 2000 notwithstanding these requirements.

The bill would affect TID #1 created by the village of Fall Creek. A public hearing for the proposed TID was held on September 26, 2000; the village board passed a resolution creating the TID on September 29, 2000. The joint review board convened to review the TID voted to approve the TID's creation on September 29, 2000.

Because the time requirements were not met, DOR cannot certify a base value for the TID. As a result, the public expenditures associated with the project are not eligible TID project costs, and any improvements and development occurring in the TID after January 1, 2000 cannot generate tax increments used to pay project costs. As a result, the village of Fall Creek would have to incur all of the necessary public improvements expended for the development associated with proposed TID #1.

Under the bill, the TID would be created with a January 1, 2000 base year. As a result, public expenditures associated with the TID would be eligible TID project costs, paid with tax increments generated by the TID's development.

The bill would require DOR to certify the base value for the affected TID, the costs of which can be absorbed.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3245/1		Introduction Number AB-385	
Subject			
The filing, and acceptance by DOR, of documents related to the creation of a tax incremental financing district			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	State	Local	
NET CHANGE IN COSTS	\$	\$See text of fiscal note.	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By		Authorized Signature	Date
DOR/ Rebecca Boldt (608) 266-6785		Dennis Collier (608) 266-5773	05/16/2001