

1999 DRAFTING REQUEST

Bill

Received: **02/18/2000**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Tom Hebl (608) 266-7678**

By/Representing: **andy**

This file may be shown to any legislator: NO

Drafter: **jkreye**

May Contact:

Alt. Drafters:

Subject: **Munis - tax incrmntal financing**

Extra Copies: **MES**

Pre Topic:

No specific pre topic given

Topic:

Notice of hearing for creation of tax incremental district: Stoughton

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Reauired</u>
/1	jkreye 02/21/2000	csicilia 02121/2000	martykr 02/22/2000	_____	lrb-docadmin 02/22/2000	lrb-docadmin 02/23/2000	

FE Sent For:

Not Needed

<END>

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1/?	jkreye	1 gjs 2/21 oo	km 2/22	km 2/22			

FE Sent For:

<END>



STATE REPRESENTATIVE
TOM HEBL
46TH ASSEMBLY DISTRICT

Joe - here's the main
info on the Stoughton TID.
Let me know if you have
any questions.

Amy

**State of Wisconsin • DEPARTMENT OF REVENUE**

DIVISION OF STATE AND LOCAL FINANCE

BUREAU OF EQUALIZATION
125 South Webster Street • P.O. Box 8633
Madison, Wisconsin 537088933
FAX (608) 264-8897

February 8, 2000

John D. Neal, Finance Director
City of Stoughton
381 East Main Street
Stoughton, WI 53589

RE: Tax Incremental District (TID) #4 Base Year Application Problem

Dear Mr. Neal,

During review of City of Stoughton's TID #4, a problem **was** found with the **legal** procedures followed in the creation process. The affidavit of publication from the Stoughton Newspapers indicates the hearing notice was published on February 4 and 11, 1999; and the notice establishes the hearing date to **be** February 17, 1999. If these dates are correct, this was not a legal class 2 notice and the department cannot certify the district.

Wisconsin Statutes Chapter 985.07 indicates how many times a Class 2 notice must be inserted, and 985.01 describes the timing for **publication**. Paragraph (1) says that "insertion" when used to indicate the publication of **a** legal notice more than **one** time, means once each week for consecutive weeks, the last of which shall be at least one week before the act or event.

February 17th is only six days after the second hearing notice insertion; therefore this would not have met statutory requirements. If the dates reported are those on which these events actually took place, the department cannot certify the base value as specified in s. 66.46 (5)(d). Should this be the case the city's alternative is to dissolve this TID and go through the whole process again to create a new TID. Unfortunately, the new district's base year would be 2000 not 1999.

If the publication dates shown in the documentation for TID #4 are wrong, please provide corrected information. Contact me if you have question at 608-266-5708.

Sincerely,

A handwritten signature in cursive script that reads 'Judie Gibbon'.

Judie Gibbon
Bureau of Equalization

cc: John W. Rader, Administrator Division of State & Local Finance
Eugene Miller, Director Bureau of Equalization
Michael Couillard, Supervisor Madison District Office

266 0939 -

February 16, 2000

REQUEST FOR LEGISLATION CITY OF STOUGHTON TID#4

The City of Stoughton requests the introduction of a bill to allow the Dept. of Revenue to certify City of Stoughton TID #4 with 6 days between the last insertion of a public hearing notice and the public hearing. Currently, statutes require 7 days between the last insertion date and the date of the public hearing.

BACKGROUND

Last year the City of Stoughton created TID #4. The purpose of the TID is to eliminate blight and promote the revitalization of downtown Stoughton. The anchor project for the TID is the redevelopment of a site which was destroyed by fire about five years ago. That project - Kegonsa Plaza - was at least 80% complete on December 31, 1999.

The City used TIF to provide \$150,000 of public improvements to improve public access to the downtown as well as Kegonsa Plaza. This is a milestone project for Stoughton's downtown area, representing private investment of \$1 million. This investment will spur other private sector investment in the downtown.

TID #4 was also created to help fund other City investment in the downtown including street reconstruction, sewer, water, sidewalks, streetscaping, and other improvements. A downtown master plan is being prepared this spring to guide this public sector investment as well as new private sector investments.

Last Thursday the City received notice that DOR cannot certify TID #4 because the public hearing was held one day too early - six days after the last publication of the hearing notice rather than seven days. The City had taken extraordinary measures to notify the public, including providing written notification to every property owner within the District. The success of the outreach for this public hearing was evidenced by the standing room only crowd and strong support of those in attendance. No one spoke in opposition to the creation of this TID!

Additionally, although the newspaper's official publication date is Thursday, it is actually distributed on Wednesday - as far as the public was concerned, there were seven days between the last insertion and the public hearing.

The remedies suggested in the letter from DOR included dissolving the District and recreating it or having a bill introduced in the Legislature which would exempt this TID from the statutory seven day insertion requirement. In the first instance,

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DEVELOPMENT

▼ 400 VIKING DRIVE
P.O. BOX 379
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Fax (608) 524-8218

▼ 6200 MINERAL POINT RD.
MADISON, WI 53705.4504
(608) 233-5800
Fax (608) 233-4131

▼ 1521 METRO DRIVE, STE 205
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SCHOFIELD, WI 54476-0650
(715) 359-2003
Fax (715) 359-2003

▼ www.vierbicher.com

February 16, 2000

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Stoughton would lose 80% of the increment for which the District was created and therefore, the revenue necessary to cover the City's participation in the Kegonsa Plaza project and much of the infrastructure improvements.

Therefore, the passage of a bill by the legislature during the March floor period is the only remedy available to Stoughton to keep momentum for downtown redevelopment on track..

A handwritten signature in black ink that reads "Gary Becker". The signature is written in a cursive style with a large initial "G" and "B".

Gary Becker
Manager, Community Development
Vierbicher Associates, Inc.
6200 Mineral Point Rd.
Madison, WI 53705
(608)233-5800
gbec@vierbicher.com



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-45817

JK&MES:k:...

RMK
gs

m 2-22-2000

SOON

gen

1 AN ACT..., relating to: the notice of a hearing on the creation of a tax incremental
2 district proposed by the city of Stoughton.

certifies
and certifies

Analysis by the Legislative Reference Bureau

Under current law, a city or village may create a tax incremental district (TID) in part of the city or village to foster development, if at least 50% of the area to be included in the TID is blighted, in need of rehabilitation or suitable for industrial sites. A city or village must follow several procedures to create a TID, including holding a public hearing on the proposed TID.

Under current law, once a city or village creates a TID, the department of revenue (DOR) calculates the "tax increment base value" of the TID, which is the equalized value of all taxable property within the TID at the time of its creation. If the development in the TID increases the value of the property in the TID above the base value, a "value increment" is created. That portion of taxes collected on the value increment in excess of the base value is called a "tax increment". The tax increment is placed into a special fund that may only be used to pay back the costs of the TID. The costs of a TID, which are initially incurred by the creating city or village, include public works such as sewers, streets and lighting systems; financing costs; site preparation costs; and professional service costs.

Under current law, DOR will not calculate the tax increment base value of a TID and, therefore, not certify the creation of the TID, if the city or village that created the TID did not follow certain procedures, including publishing a timely notice of a hearing for the proposed TID. On February 17, 1999, the city of Stoughton held a hearing for a proposed TID. However, the last notice of the hearing was published six days before the hearing. Under current law, the last notice of a hearing for a proposed TID must be published at least one week before the hearing.

→

certify

I - & W
 This bill validates the hearing held on February 17, 1999, and requires DOR
 to calculate the tax increment base value for the TID in the city of Stoughton, as if
 the city had complied with the hearing notice requirements under current law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 992.22 of the statutes is created to read:

992.22 Notice of a hearing for a proposed tax incremental district. Any
 hearing held by a city under s. 66.46 (4) related to the creation of a tax incremental
 district is valid, notwithstanding the city's failure to conform to the statutes
 regarding the timing for publishing a class 2 notice of the hearing, if the city was
 incorporated in 1882, has a population of at least 8,500 and is located in a county with
 a population of at least 365,000. The department of revenue shall certify the tax
 incremental base for a tax incremental district located in the city as if the city had
 complied with the timing for publishing a class 2 notice of a hearing under s. 66.46
 (4).

(END)

**SUBMITTAL
FORM**

LEGISLATIVE REFERENCE BUREAU
Legal Section Telephone: 266-3561
5th Floor, 100 N. Hamilton Street

The attached draft is submitted for your inspection. Please check each part carefully, proofread each word, and sign on the appropriate line(s) below.

Date: 02/22/2000

To: Representative Hebl

Relating to LRB drafting number: LRB-4581

Topic

Notice of hearing for creation of tax incremental district: Stoughton

Subject(s)

Munis - tax incremental financing

1. JACKET the draft for introduction Tom Hebl

in the **Senate** or the **Assembly** (check only one). Only the requester under whose name the drafting request is entered in the **LRB's** drafting records may authorize the draft to be submitted. Please allow one day for the preparation of the required copies.

2. REDRAFT. See the changes indicated or attached _____

A revised draft will be submitted for your approval with changes incorporated.

3. Obtain **FISCAL ESTIMATE NOW**, prior to introduction _____

If the analysis indicates that a fiscal estimate is required because the proposal makes an appropriation or increases or decreases existing appropriations or state or general local government fiscal liability or revenues, you have the option to request the fiscal estimate prior to introduction. If you choose to introduce the proposal without the fiscal estimate, the fiscal estimate will be requested automatically upon introduction. It takes about 10 days to obtain a fiscal estimate. Requesting the fiscal estimate prior to introduction retains your flexibility for possible redrafting of the proposal.

If you have any questions regarding the above procedures, please call 266-3561. If you have any questions relating to the attached draft, please feel free to call me.

Joseph T. Kreye, Legislative Attorney
Telephone: (608) 266-2263

Handwritten marks and scribbles in the top right corner.