

Assembly Bill 730

Relating to: extending the expenditure period for a tax incremental district in the city of Westby. Assembly Committee on Ways & Means January 19, 2022

Good Afternoon, Chairman Macco and committee members. I want to thank you for your willingness to hear Assembly Bill 730.

The 96th Assembly District consists of Crawford, most of Vernon, and about half of Monroe county. The City of Westby is in north-central Vernon County.

The City of Westby created tax incremental district (TID) #3, and the city is developing a 74 acre business park. When the City purchased the land for the business park they were awarded a 3.5 million dollar federal EDA grant. EDA grants were offered to Vernon County after recent flooding events. The City of Westby has invested a lot of money into the business park: \$850,000 to purchase the land, \$950,000 in a general obligation bond, and \$600,000 to replace a street that connects to the business park.

The success of TID #3 could provide the greatest economic boost that the City has seen. However, the issue with the TID is that its success came late in the life of the TID. The expenditure period for the TID ends in December of 2022, while the project is scheduled to be completed in June of 2022. Six months is not enough time to attract new businesses, and offer the incentives to have their business located in the City's business park.

Westby's business park is located in a place that would provide a unique ability for businesses to be successful. The business park is located on U.S. highway 27, where it intersects with U.S. Highway 14/61, and has convenient proximity to the interstate.

Assembly Bill 730 was amended with a simple amendment to extend the expenditures through 2025. This amendment was needed as there was drafting error in the original bill which would have extended the expenditures through 2034, the amendment corrects this error.

The extension of Westby's expenditure for TID #3 would help this small community enhance their economic growth.

Thank you again for hearing Assembly Bill 730, a bill that will make all the difference to a small community in rural Wisconsin.



HOWARD MARKLEIN

STATE SENATOR • 17th Senate District

January 19, 2022 Assembly Committee on Ways & Means Testimony on Assembly Bill 730

Good Afternoon!

Thank you Chair Macco and committee members for hearing Assembly Bill 730 (AB 730) that extends the expenditure period for a tax incremental district (TID) in the City of Westby.

When creating a TID, state law provides for a joint review board (JRB) and defines the JRB's members and responsibilities. It is the JRB's responsibility to approve or deny the creation or amendment of a TID. The JRB may extend the life of the TID, but it requires a statutory change to extend the expenditure authority of the TID.

Rep. Oldenburg's testimony detailed the significant investment by the community to make this TID successful and enhance their economic development effort in the city's business park. Construction of the project is expected to be completed in June of this year, and the expenditure authority expires in December 2022.

The City of Westby would like this project to reach its full potential, but six months is a very short amount of time to attract new businesses with developer's agreements and incentives. An amendment has been drafted to extend the expenditure authority until 2025, which the city believes will be sufficient time to accomplish their goals.

Economic development is extremely important for our rural areas of the state, as it helps our communities thrive.

Thank you again for hearing AB 730, and your timely action on this proposal.

WESTBY

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January 18, 2022

Chairman Macco, and Members of the Assembly Committee on Ways and Means:

The City of Westby is requesting a three-year extension on our TID #3 debt expenditure period. We have a 74acre business park being developed at this time. After many years of trying to purchase, we finally had an opportunity to purchase the 74-acre farm that was in our City limits and in our TID district. With the purchase of the land, we applied for and were awarded a \$3,500,000.00 grant from the federal EDA that was offered to our county for all the recent flooding in the last few years. The City has also invested \$850,000.00 to purchase the land, have a \$950,000.00 general obligation bond, and added another \$600,000.00 to replace a street that connects to the business park.

With all this coming together, it would be the biggest economic boost our City has ever seen. The only problem is the timing. It came together late in the years of our TID. After the time it took to go through the grant process, and other delays, we had to put this project out for bids later in the year than we wanted. Our project will be completed by June 2022, but our debt expenditure period ends December 2022. Six months just doesn't seem to be enough time to attract new businesses with developer's agreements and incentives. With the time it takes for meetings, planning, engineering, and feasibility studies, six months isn't enough time for such a large project such as this. We need to be able to compete with other municipalities for new businesses and jobs.

We do have interest in our business park because of its location on U.S. Highway 27 where it meets U.S. Highway 14/61 and it proximity to the interstate. We have one other TID in our City that covers most of our center City. It is a blighted TID. We are a City of approximately 2200 people so we desperately need this economic growth.

Though we are extremely grateful for the EDA Grant, it would be such a tragedy after all the money, time, and hard work invested in the project not to see it achieve its full potential as the biggest economic growth and job creator that our small City has ever seen, just due to running short on time.

Thank you for your consideration. I welcome the opportunity to answer any questions and/or concerns you may have.

Sincerely, City_of Westby

Danny Helgerson Mayor