

Historical Summary

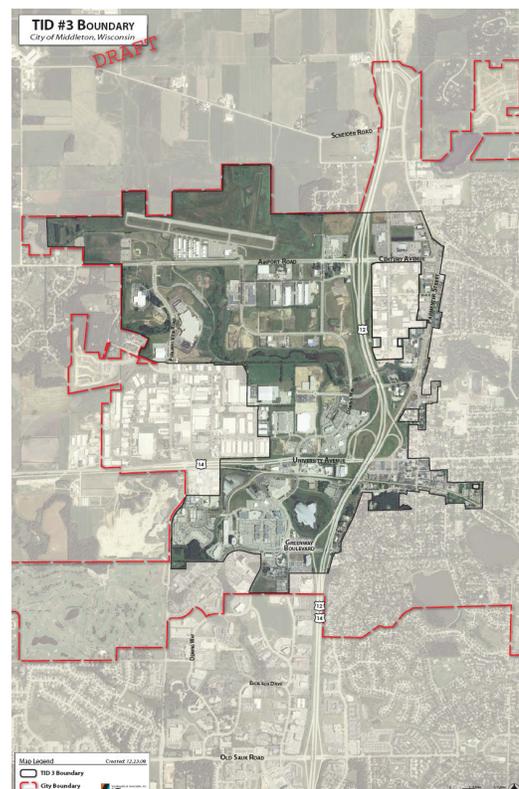
City of Middleton Tax Incremental Financing District #3

The City of Middleton created Tax Incremental Financing District #3 (TID #3) in 1993. In the original 1993 TIF District 3 Project Plan, the base value of the TIF District was listed as \$34.1 million. The projected expenses were \$15.8 million, with projected new development of \$44.9 million. The City has actually spent approximately **\$60 million** and created new tax base of more than **\$500 million** to date. In this report, the major expenses and added tax base in each district area will be briefly described. Since the 1993 creation of TIF 3, the plan has been amended several times, to reflect additional projects, costs, and increment value added. For the sake of clarity, this report will compare the 1993 estimates with the actual numbers from the year 2008.

One of the primary reasons the City began to consider creating TID #3 was due to the large urbanizing floodplain that had been identified by the Wisconsin Department of Natural Resources in the late 1980's, adjacent to the South Fork of the Pheasant Branch Creek. This meant that an area that had been annexed for growth, and that was adjacent to two major highway corridors and capable of being served by urban services, was unbuildable unless a funding mechanism could be found that would facilitate a multi-million dollar floodplain improvement project. The floodplain project was too expensive for individual property owners to absorb on their own, even if the City specially assessed for the costs.

The goals for the floodplain project were adopted by the Common Council on June 19, 1991, and are listed below:

- Reduce the 100-year floodplain; thereby increasing buildable acreage within the City limits
- Improve flood control through construction of detention ponds
- Attenuate downstream flooding
- Improve water quality
- Expand the use of the environmental corridor, creating a multi-use recreational facility
- Extend park multi-use trail system from RMI to the City limits



When considering the extent and scope of TID # 3, the City and its consultants, Vandewalle and Associates, determined that the use of TIF could assist with:

- comprehensive infrastructure development
- the full development of land within the district
- creation of one of the largest “job park” districts in the metropolitan area.

A related goal for TIF 3 was the elimination of the economic blight created by the urbanizing floodplain that was created by development of land primarily outside of the City’s boundaries. Another major goal for TIF 3 was the continued redevelopment and restoration of the City’s historic downtown, which had first been addressed by the City in TIF 1.

The project plan for TIF 3 identified five major districts:

- Stormwater Management District
- Greenway Center District
- Downtown District
- Airport Rd. District
- Existing Highway 12 District



Downtown Project

STORMWATER MANAGEMENT DISTRICT

The primary goals of the stormwater management district were to minimize stormwater impact and promote water quality while increasing developable land for economic development purposes.

This district included:

- Design of a stormwater management system;
- Comprehensive environmental and recreational design and implementation;
- Land use and neighborhood planning; and
- Economic development strategies related to channelization.

The estimated costs for projects in this district were **\$3.915 million**, with expected new tax base of **\$14 million**. The actual amount spent in this category was close to the projection, at approximately **\$3.945 million**. The tax base created, however, far exceeded the original projections. Each district created by the TIF plan benefited from the floodplain improvements. Although major projects and tax base created will be discussed individually by district, it is important to note that more than **\$255 million** worth of tax base has been allowed to be created as a direct result of the floodplain enhancements. In Greenway Center alone, approximately **\$185 million** of new development occurred, most of which would not have been possible without the floodplain improvements. The goals set by the City in 1991 for the channel improvement project were achieved, as was the creation of a large “job park” and tax base more than 18 times the original estimate.



*Confluence Pond
Built with TIF #3 funds as part of
the City’s Stormwater
Management/Floodplain
Improvement Project*

GREENWAY CENTER

In the City’s 1988 Southwest Area Study, this district was identified as “likely to be the most important development area in the City of Middleton during the next decade”. The Southwest Area was ideally situated as one of the strongest emerging markets for office and commercial development. The designation of the urbanizing floodplain in 1988, however, blighted the property and necessitated the channel improvement project.

The major projects completed in this district include:

- Extension of Greenway Blvd
- CDA lease revenue bonds to build a parking garage for increased density
- Road construction and reconstruction
- Stormwater improvements
- Bike path construction

In addition to the money spent on the channel project, the City also assisted in the development of a parking garage and other infrastructure improvements in Greenway of about \$12 million. As stated

above, this district also benefited from the floodplain project and enhanced environmental work. Current assessed values for this area are approximately **\$185 million**, which is **nine times** the original projected estimate of \$20 million.



Greenway Station

Major employers in this area include:

- PPD (650 employees, 2nd largest biotech firm in Dane County)
- US Geological Survey
- Smith & Gesteland
- Clifton Gunderson
- Raven Software
- Humana
- Northwestern Mutual
- NIS



Greenway Office Building and Skywalk

DOWNTOWN DISTRICT

The 1993 TIF Plan placed an emphasis on revitalization efforts in the Downtown District. The main focus was on redevelopment, access to USH 12, streetscape and parking improvements. The City has spent approximately **\$15.5 million** in TIF 3 in the downtown and the Clark and Lee Street areas to date.

Projects included:

- Extension of Terrace Ave. from the downtown to Deming Way
- Acquisition, relocation, and demolition of: the M&I Bank building; Mid Plains storage building; Sawle property EZ Tile; Decar; 2 furniture store buildings; Middleton Ford; and the Hotel Bar
- Quarry Park retaining wall



Former Furniture Store Building, Purchased by the City with TIF #3 funds



New Building/Land Use (Hubbard Ave. Diner) that resulted from the City's use of TIF #3.

- Terrace Ave. parking lot
- Construction of Cayuga St
- Reconstruction of Elmwood Ave.
- Senior Center building project / M & I relocation
- Underground parking stalls for Cayuga Court project



Downtown Redevelopment

The City used TIF as a financing tool to effectively relocate land uses that were not appropriate in the downtown, such as a manufacturing facility, dilapidated buildings with inappropriate uses, and new and used car sales lots. As a result, the City assisted in the creation of vibrant land uses such as retail, restaurants and new housing, pedestrian friendly streetscape, and approximately **\$36 million of new tax base**. In addition, the City utilized TIF #3 funds to assist in the preservation of the historic “Pet Milk” Building, which was rehabilitated to accommodate nineteen residential condominiums.



Valencia Condos



Downtown Building in TIF #3

AIRPORT ROAD DISTRICT

The 1993 TIF 3 Plan estimated project costs of \$2.1 million in the Airport Rd. District, and projected increment value of \$4 million. The City has spent approximately **\$17.9 million** dollars on:

- large public infrastructure projects to facilitate the appropriate development of large job parks
- acquisition and development of the Airport
- acquisition of the Quisling property to enhance economic development and the floodplain improvements
- purchase of additional right-of-way Airport Rd. and reconstruction from 2 lanes to 4 lanes
- Pleasant View Road construction from the business park north to Airport Rd.
- Reconstruction of the former USH 12 (now Parmenter).
- Development of Bike/Ped trails for commuter access
- Development of the ETC site

An example of the success of the Airport Rd. District is the purchase of the Quisling property. Of the 220 acres purchased, approximately 60% of the land is used as permanent public open space, either as wetlands, prairie, bike path or recreational fields. Approximately 40% of the land was used to accommodate several large employers, including the \$23 million dollar facility that Electronic Theater Controls (ETC) built, keeping 500 employees in the City of Middleton. (In 2008 ETC built an 80,000 square foot addition to their 250,000 square foot building.) Another large employer that is located on former Quisling land is Parts Now!, with approximately 300 employees.

Some of the major employers in this area are:

- Standard Imaging
- Nutra-Park
- Gala Biotech
- Soft Switching Technologies
- Sybron
- Network Engineering Technologies
- ETC
- Parts Now!



Electronic Theater Controls

The tax base value created in this area (including Parts Now! and ETC) is currently more than **\$116 million**, with thousands of jobs in the area.



Parts Now

USH 12 DISTRICT

The USH 12 District included projects along the former USH 12 corridor (now Parmenter St). The former highway section was rebuilt as a City street with TIF 3 funds. Also, a bike/pedestrian connection was created linking the corridor to the west side employment areas at the Pheasant Branch Creek.

DISCOVERY SPRINGS

The work completed by the City on the floodplain Improvements allowed the development of the Discovery Springs Business Park, with a tax base value of over \$70 million, and many large employers including UW Medical Foundation with 700 employees and Costco with 200 employees.



UW Health Transformations Building in Discovery Springs

Compiled by Eileen Kelley,
City of Middleton Planning Director.

If you have any questions, you may
contact Eileen Kelley at (608)827-1070

or ekelley@ci.middleton.wi.us