

The Corners of Brookfield
Bluemound Road @ I-94 & Barker Road
Town of Brookfield, WI

Projected Results

Construction Jobs

- 325 jobs per month for up to two years at average wage of \$35/hr plus benefits (total with benefits \$55.50/hr).
- Payroll impact \$48 million

Von Maur (140,000 sf department store)

- 110 Full time jobs
- 40 part time jobs
- Annual payroll \$3 million
- Above market wages, excellent benefits, robust training

Additional Retail & Restaurant Jobs (250,000 sf open-air mixed-use center)

- ❖ 960 permanent jobs
(Source: International Council of Shopping Centers and Co-Star, Wisconsin employment density data)
- ❖ Payroll Impact \$21 million (estimate)

Jobs Totals

Over 1,000 permanent jobs with \$24 million annual payroll

325 construction jobs with \$48 million payroll impact for up to two years

Financial Summary

- ❖ \$145,000,000 Total project cost (not including Von Maur)
 - \$ 84,000,000 Traditional financing
 - \$ 30,000,000 Maximum up front TIF proceeds
 - \$ 31,000, 000 Equity

Sales Tax Impact

Annual sales tax revenue of over \$8 million based on \$157,000,000 in total annual retail and restaurant sales at The Corners.



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To: Senate Committee on Economic Development and Local Government
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: October 10, 2013
Re: SB 338, Extending TIF Authority to Certain Populous Towns

The League of Wisconsin Municipalities opposes SB 338, authorizing towns with populations over 5,000 and a total equalized value of over \$500 million to create tax incremental financing districts. This bill changes a state policy that has been in place since the TIF law was first created in 1975 when only cities and villages were granted TIF powers. The original focus of the TIF law was to help municipalities spur redevelopment of blighted areas. Towns typically don't need to redevelop blighted areas.

This legislation will have the effect of encouraging sprawl development on the fringes of incorporated municipalities. The bill will effectively freeze the borders of neighboring cities and villages since landowners and developers will be less motivated to seek annexation. In a state with the sixth highest number of local governments, this bill will only perpetuate the continued existence of towns. This bill will also interfere with boundary agreements that municipalities and towns entered into based on current law and existing development patterns.

The bill will encourage manufacturers to locate in unincorporated areas with lower taxes while their employees are clustered in the adjacent cities with restricted revenues. The state should be encouraging denser development within urban service areas where sewer, water, police and fire service are available. The bill conflicts with an important planning goal of locating jobs closer to where the workers live to reduce commute times and transportation costs.

We understand that a main motivation for enacting this bill is to grant TIF authority to the Town of Somers in Kenosha County ostensibly to accommodate new development adjacent to the new Amazon warehouse project. However, the Amazon project is actually located in the City of Kenosha. The Town of Somers property is located across the street. A better solution is to authorize towns to create joint TIFs with neighboring municipalities pursuant to an intergovernmental cooperation agreement.

This bill is bad public policy for the state of Wisconsin. There are better ways to accomplish the goal of accommodating and encouraging growth in conjunction with the Amazon project in Kenosha County than authorizing thirty towns statewide to create TIF districts. The League urges you to vote against SB 338. Thanks for considering our comments.

Constance L. Anderson

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October 10, 2013

TESTIMONY FOR PUBLIC HEARING ON SB 338
BEFORE THE SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT AND LOCAL GOVERNMENT

Appearance by Connie Anderson, Town Attorney for Town of Windsor, Dane County
In support of SB 338: expanding the authority of towns to create tax incremental financing districts

The Town of Windsor is northeast of Madison, at the edge of Dane County.
Windsor's equalized value is \$570,888,000 and its population is approximately 6,500.

The Town is proud of its agricultural heritage and has a strong Farmland Preservation Program. Windsor is committed to its farmers and the agribusiness community.

There is also a portion of the Town that has a more residential and urban flavor. This area has US Highway 51 along the East, Interstate 39/90/94 on the West and the Village of DeForest on the North and South. (*See attached map.*)

The Town's Community Development Authority ("CDA") owns approximately 85 acres in this area, known as Windsor Crossing. A development plan has been prepared for this Town center and is included in the Town's Comprehensive Plan. One-third (1/3) of Windsor Crossing is available for commercial retail and the balance is planned for a mix of housing types that will help support the retail aspect of the overall development.

This important Town project will create local jobs and allow the Town to actively participate in revitalizing both the local and State economy. To be competitive in economic development and job creation, towns such as Windsor need economic tools such as tax incremental financing districts.

The Town of Windsor urges the Senate to vote for Senate Bill 338, and is available as a resource for any questions the Committee may have.

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Town of Somers

October 9, 2013

Senator Gudex,
Committee Chairman for Economic Development & Local Government

Re: Senate Bill 338

Dear Senator Gudex and Committee Members:

This letter expresses the Town of Somers support for Senate Bill 338 relating to expanding the authority of towns to create a (TID) Tax Incremental Financing Districts.

The Town of Somers, located in Kenosha County has been approached by a developer who would like to develop a business/Industrial park which could both result in job creation and wide economic development. We ask that the Committee support Bill 338 as a viable tool for towns of our size and value.

Yours truly,

William A. Morris,
Town Administrator

Cc: Ben Harbach, Town Chairman
Michael DeLuca, Peter Ress; Judy Schantek, Gregg Sinnen, Town Supervisors
Tim Kitzman, Town Clerk Treasurer
Jeffery J. Davison, Town Attorney
Governor Scott Walker
Senator Robert W. Wirth
State Representative Peter Barca
State Representative Samantha Kerkman
Richard Stadelman, Executive Director, WI Towns Association



STATE REPRESENTATIVE

SAMANTHA KERKMAN

October 9, 2013

Senate Committee on Economic Development and Local Government
Senator Richard Gudex, Chairman
State Capitol – 415 S
HAND-DELIVERED for committee distribution

Re: Senate Bill 338 – Town TID bill

Chairman Gudex & Members,

I appreciate the committee's consideration of Senate Bill 338, which authorizes towns to create a tax incremental financing district (TID) in the same manner in which cities and villages are authorized to create a TID so long as the town population is at least 5,000 and the equalized value of all taxable property within the town is at least \$500 million in the year prior to the TID proposal.

In the 61st Assembly District, the Town of Somers is the proposed location for a 300-acre industrial park proposed by Majestic Realty. Somers is a very desirable location between Milwaukee and Chicago, but needs to create a TID (or incorporate) to fully attract and confirm a relationship with the developer. It is critical that the Town of Somers be allowed to participate in the economic boom we see in the future for Kenosha County.

I have attached several articles from the Kenosha News which provide additional detail on the Majestic Realty-proposed industrial park in the Town of Somers.

Sincerely,

Samantha Kerkman
State Representative
61st Assembly District

CC: Senators Petrowski, Leibham, Lassa, and Taylor;
Legislative Council, Committee Clerk



KENOSHA NEWS

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Two major developments proposed

BY BILL GUIDA

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The local development climate appears to be warming, with significant projects being proposed in the town of Somers and village of Pleasant Prairie.

A 300-acre industrial park is being proposed on Somers farmland near the northeast corner of highways S (142) and H (88th Avenue), while Riverview Corporate Park, a 250-acre office and manufacturing complex is being proposed in Pleasant Prairie on the east side of Interstate 94, south of 110th Street and north of 122nd Street.

Majestic Realty, the California developer proposing the Somers project, will present a conceptual plan to the town plan commission at 6:30 p.m. Monday in Town Hall. The developer also is scheduled to appear before the Town Board at 7 p.m. Tuesday.

Somers Town Administrator Bill Morris called the Majestic proposal "huge."

It comes after a previous proposal fell through to develop a 1,000,000-square-foot natural foods distribution facility on 50 acres at the same site because, as a town, Somers lacked authority to create a tax-incremental financing district to fund needed infrastructure improvements for the project, which eventually moved north to Sturtevant.

A year ago, the town created marketing and economic development committees to study and recommend ways to promote Somers and attract investors. The Majestic proposal fits within that vision, but the proposed industrial park materialized outside the committees. It would be the biggest development in Somers since Walmart and Sam's Club opened in 2009 at highways S and 31 (Green Bay Road).

"This came out of the clear blue. They're telling us they wanted to come into the Midwest," Town Chairman Ben Harbach said Friday, admitting he was taken by surprise.

Majestic contacted Somers officials about a month ago then returned for a second visit,

which included Kenosha County representatives, according to Harbach.

“They went back home and did some work, and it’s my understanding they put a purchase offer on the land,” he said.

Harbach did not know what contingencies might be pending on the sale of the parcel, which abuts the Canadian Pacific Railroad tracks on the east.

He said it’s too early to know how much the development could mean financially to Somers or what the time line might be.

“The indication they gave us is they want to be aggressive and move forward in a timely manner,” Harbach said.

He speculated that Majestic apparently has the financial power to develop the industrial park without needing a municipal TIF district. However, Harbach added, Somers has hired a planner and is moving forward toward village incorporation. “That is no secret ... when you have incorporation you have TIF authority,” he said.

Majestic made their first foray into the area — and Wisconsin — with a planned 1.2 million-square-foot warehouse and distribution facility in Pleasant Prairie on the east side of 88th Avenue south of Bain Station Road.

Jean Werbie-Harris, Pleasant Prairie community development director, said Friday that project is in the process of getting final approval from the Federal Emergency Management Agency to make floodplain boundary adjustments for the site. “They intend to get their full building permit and break ground in the spring. That’s what they’ve told us,” Werbie-Harris said, adding the village already has approved rezoning, site and operational plans for the facility.

Meanwhile, the conceptual plan for Riverview Corporate Park by James G, Hart and Delaine Farm Partners, owners of the property for the planned development, is set for a public hearing and consideration before the village plan commission at 6 p.m. Monday in the Village Hall auditorium.

The five buildings being proposed Monday will be the first considered within the village’s newly created R5 office/manufacturing production zoning.

Werbie-Harris said the Riverview site has 86 buildable acres, with the remainder comprising wetlands and other “environmental features.”

“So, it’s going to have a really beautifully park-like setting,” she said.



KENOSHA NEWS

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Somers industrial park gets preliminary OK

BY BILL GUIDA

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SOMERS — The Plan Commission gave a collective nod Monday night to a proposed industrial park development on 309 acres of farmland at highways H and S.

Majestic Realty Co. is proposing the project. Although there is no timeline yet, and sale of the land must be completed, Josh Wheeler of Majestic said the company plans a long-term commitment to the development.

Majestic already is developing a single-tenant property in Pleasant Prairie. The Somers project would include multiple tenants.

Wheeler said the company was attracted to Somers due to Wisconsin's "extremely pro-growth," pro-business, pro-job development stance.

Town Administrator Bill Morris assured the commission the proposal fits into the town's Smart Growth plan required by the state, as well as the town's neighborhood land use plan "for non-residential industrial or business park" development.

Flooding concerns

Several residents with neighboring properties expressed concerns about management of runoff water to prevent flooding should the project come to fruition.

"Are we going to get flooded out?" asked Angie Pasquale, whose home in the 2000 block off Highway H abuts the north line of the park.

Pasquale said springtime flooding already is a problem in the area.

"You also lose a ton of dirt when that water starts flowing. The fields just keep getting lower and lower," Pasquale said.

Glenn Fenske, whose family has farmed adjacent acreage to the east for four generations, said he family isn't against the proposed development, but wants to see plans for flood control.

"When you've got water running right through the center of your 140 acres, that's a concern," said Fenske, who lives in the 2900 block of 72nd Avenue.

First in Wisconsin

Wheeler said this proposal, along with the project in Pleasant Prairie, mark Majestic's first forays into Wisconsin. The California-based company has 72 million square feet of development on the West Coast, Texas and in other states, he said.

Wheeler said it is too soon to project an estimated number of jobs the project could bring. Similarly, he said it is too early to say what types of tenants might occupy the buildings.

"As a long-term owner, we'd love it to be all manufacturing," Wheeler said. "We're just a little early in this. ... We just know we like it."



[View larger](#)

Josh Wheeler, of California-based Majestic Realty Co., addresses the Somers Plan Commission Monday night about the company's plans to develop a business and industrial park on 309 acres at highways H and S.



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KENOSHA NEWS

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Somers industrial park could hinge on incorporation

BY BILL GUIDA

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SOMERS — A proposed industrial park in Somers will not become reality if the town is not able to incorporate as a village, the Somers Town Board learned Tuesday night.

“If you don’t incorporate, we’re not going to do that project,” Majestic Realty Senior Vice President John Semcken III told the board during a presentation on the conceptual plan.

Majestic has proposed a 309-acre industrial park at highways S and H.

Attaining village status would give Somers the ability to create tax incremental financing districts typically used to pay for big ticket infrastructure expenses, including road and drainage improvements

Semcken’s remarks appeared to counter those made earlier in the meeting by former Town Board member Larry Harding, who said, “If we can get something like this in here without incorporation, it kind of puts a hole in the central argument for why we need incorporation.”

But board member Judy Schantek said incorporation would give Somers the ability to create a TIF, thus making the municipality more appealing for other developers.

Town Chairman Ben Harbach said incorporation is a top priority for the town. The town already has hired an incorporation planner to help shepherd the approval process.

Proposal gets approval

A night after the Plan Commission recommended approval for Majestic’s project, the board unanimously voted to OK the conceptual plan.

Before the board vote, Semcken summarized the California-based company’s track record

as the largest privately held industrial developer in the United States, with business parks, office and retail space and even the Staples Center in Los Angeles.

The proposal here would be Majestic's second Wisconsin project. The other is a 1.2-million-square-foot building in Pleasant Prairie, where all the needed approvals are essentially completed and graders are in place to begin site preparation.

A number resident expressed concerns about flood controls for the project. Semcken said those concerns will be addressed.

"This isn't our first rodeo," Semcken said.

He said Majestic chose Somers — and Pleasant Prairie — because of its proximity to Milwaukee and Chicago and Interstate 94.

He said the business and economic climate in Illinois doesn't appear to be moving in the right direction compared Wisconsin.

"So, we're betting on southeast Wisconsin," Semcken said. "We've been looking in the area for two years. ... We believe our business will grow very well in the area."

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KENOSHA NEWS

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Hot spot for development

Suddenly, the Kenosha area is a hot development spot.

In the past week two major development projects have been announced, one in Pleasant Prairie along the I-94 and one in Somers at the intersection of Highway S and 88th Avenue. Also in the past week, two companies from northern Illinois, Hanna Cylinders and Kenna Manufacturing Co. Inc., announced plans to move to this area. Another big project, the mysterious Project Onyx, has never been formally announced, but it has been discussed for more than a month and will be the subject of a hearing today because it involves wetlands. That hearing is at 6 p.m. at the Kenosha Regional Airport. Next/Partners, a Madison real estate company, and KTR, a property development company, have plans to develop a large warehouse and distribution center on a 165 acre parcel at the intersection of Highway N and the I-94 east frontage road. That property is in the city of Kenosha. The Somers project proposed by Majestic Realty Co. is for an industrial park to be developed on a 309-acre property. The Pleasant Prairie project is for a business and industrial park on 250 acres. A significant portion of that property is wetlands and not buildable, but the developer, Venture One Real Estate of Lincolnshire, Ill., expects the site to accommodate five to seven facilities for offices, research and manufacturing. The Pleasant Prairie project is the first development proposed for "production manufacturing district" zoning, which the village created to encourage office and manufacturing developments — with high-quality jobs — rather than warehouses. While much about Project Onyx has been mysterious, the scheduled hearing indicates that this is a serious proposal. The client is widely believed to be Amazon, which has warehouses around the country, some of them developed by KTR. If all these projects come to fruition, it will be good to see the building activity. It also will be good to see the jobs they eventually bring. Local plan commission meetings are starting to get a lot more interesting.

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KENOSHA NEWS

SEE SECOND PAGE OF THIS ARTICLE

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KR Utility District likely to see rate hike due to increased costs

BY BILL GUIDA

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SOMERS — Some 266 customers in the KR Utility District likely will see sewer rates rise next year.

In addition, Town Administrator Bill Morris told Town Board members valves at four lift stations along Sheridan Road in Utility District No. 1 need to be inspected after fittings at the station near Highway A (Seventh Avenue) recently were discovered to be in need of imminent replacement.

Morris spoke with the members at a board work session Thursday night.

He said the potential 6.2 percent rate hike in KR Utility District customers' quarterly bills after Jan. 1 is linked to the Mount Pleasant sewer utility possibly raising Somers' lease cost by that percentage for using the Racine village's lift stations, which pump the sewage to a waste water treatment plant, Morris said. He said the Mount Pleasant utility manager is requesting the increase.

Sewer pipe, valves aging

Meanwhile, Morris recommended the board consider funding for an outside contractor to investigate aging fittings and pipe in Utility District No. 1 for the Sheridan Road lift stations. Morris said an automatic alarm was triggered at the Highway A lift station east of Sheridan Road when a "chunk of concrete" lodged in a valve.

Public Works Superintendent George Stoner subsequently found the concrete liner in metal conduit had deteriorated to the point where sewage now is directly in contact with the metal itself, Morris told the board. He further explained the corrosive content in sewage, along with the "scouring effect" caused by the grit in the effluent, has eaten away the concrete liner.

Morris noted the Highway A station went online in 1950. It is linked to a lift station farther north just south of Highway KR on the Lake Michigan seawall, and to two others along Sheridan Road, including the main lift station located at Carthage College.

He cited a similar problem 15 years ago that knocked out a Highway E lift station after a valve broke down, allowing the station to fill with sewage before it was discovered. The station had to be taken offline for the valve to be replaced, shutting down part of that system until repairs and replacements could be completed.

Majestic Realty plan update

In other matters, Morris updated the board regarding Majestic Realty's plans for a 309-acre business/industrial park development.

Last month, the board unanimously approved the California company's conceptual plan for the development on farmland from Canadian Pacific Railroad tracks west to Highway H from Highway S (142) on the south to about the 2000 block of Highway H on the north. The land is owned by the Tunkieicz family, with whom Majestic is negotiating a purchase deal.

Morris told the board Thursday he expects to know "within 24 hours" when Majestic, Somers, Kenosha County and state officials will meet to discuss the proposed development. Those discussions could include possible incentives the state could offer Majestic, Morris said.

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