



# COMMUNITY DEVELOPMENT AUTHORITY

## **MEMBERS**

*Ald. Randy Hollenbeck  
Joan Houlehen  
Jeff Liegler  
Jeff Schlax  
Marty Van Hoof  
Ald. Jason Phillips  
Robert Poplar*

## **AGENDA**

A meeting of the **Community Development Authority** of the City of Cudahy is scheduled for **Tuesday, August 22, 2023 at 5:30 PM** at the City of Cudahy Municipal Building-Conference Room A at 5050 S. Lake Drive.

Call to Order

Statement of Public Notice

Roll Call

Approval of Minutes of Prior Meeting(s) –July 25, 2023 meeting minutes

Old Business

None

New Business

1. Discussion and necessary action on revisions to the Parklet Grant Program.
2. Discussion on creation of a Tax Increment Financing District for South Packard Avenue
3. Discussion on creation of a South Packard Ave Redevelopment District
4. Staff Updates on Economic Development

Adjourn

Notice is hereby given that members of, and possibly a quorum of, other governmental bodies of the City may be in attendance at the above statement meeting to gather information. No action will be taken by any governmental body at the above statement meeting other than the governmental body specifically referred to in the above notice.

Upon reasonable notice, a good faith effort will be made to accommodate the needs of individuals to participate in public meetings, who have a qualifying disability under the Americans with Disabilities Act. Requests should be made as far in advance as possible, preferably a minimum of 48 hours. For additional information, or to request this service, contact the Cudahy City Clerk at 414-769-2204 (FAX 769-2257). The meeting room is wheelchair accessible from the west entrance on S. Lake Drive.

### **CITY OF CUDAHY MEETING POLICY\***

This meeting is a meeting of a City of Cudahy Board, Committee, Commission or Council for the purpose of conducting City of Cudahy business and is not to be considered a public community meeting. There is a time for public participation during the meeting as indicated in the agenda.

#### **Public Participation at Meetings**

All citizens are welcome to observe Meetings of the City of Cudahy. The City of Cudahy recognizes the value of public comment on Municipal issues and the importance of allowing members of the public to express themselves on Municipal matters.

The presiding chair of each meeting at which public participation is permitted, shall administer Roberts Rules of Order.

Roberts Rules of Order as Revised will be followed at all times.

#### 1. Public comment parameters:

- City of Cudahy citizens will be allowed to comment as noted on the agenda regarding agenda items only or any subject other than personnel matters.
- All statements shall be directed to the presiding chair of the Board, Committee, Commission or Council and not to staff or other participants.
- No person may address or question the Board, Committee, and Commission or Council members individually.
- Comments will be limited to one 3 minute comment at the beginning and/or end of each meeting where public comment is noted on the agenda.
- Comments should be concerning the substance of the item being commented on and not an attack on an individual, institution or organization.
- Disagreement as to the substance of the item is acceptable.
- If the public comment concerns a matter of public policy, response from the Board, Committee, Commission or Council will be limited to seeking information or acknowledging that the participant has been understood.
- The Board, Committee, Commission or Council may not debate with a participant who is addressing the members and the Board, Committee, Commission or Council may not take action on an item raised during public comment that is not on the duly posted meeting notice/agenda.
- Personnel matters or concerns regarding specific City personnel are not appropriate topics to be addressed during an open meeting and will be handled in accordance with City policy and procedures.
- Comments regarding an individual employee's performance and/or comments that are derogatory and/or inflammatory are not appropriate and will not be tolerated.

#### 2. All meeting attendees should honor the need for a respectful and safe environment.

- Anyone addressing the Board, Committee, Commission or Council should be treated respectfully and not be interrupted by participants attending the meeting during their presentation.
- Side bar conversations among meeting attendees should be avoided.
- No comments that are a personal or professional attack on an individual will be permitted.

#### 3. The presiding Chair may:

- The Chair may interrupt, warn, or terminate a participant's statement when the statement is too lengthy, personally directed, abusive, obscene or irrelevant; order a person to stop speaking if the person's comments do not meet these norms.
- Request an individual to leave the meeting when that person does not observe reasonable decorum.
- Request the assistance of Law Enforcement Officers in the removal of a disorderly person when that person's conduct interferes with orderly progress of the meeting.
- Call a recess or an adjournment to another time when the lack of public decorum so interferes with the orderly conduct of the meeting as to warrant such action.

**Thank you for your participation and courtesy.**

**MINUTES OF THE REGULAR MEETING  
COMMUNITY DEVELOPMENT AUTHORITY OF THE CITY OF CUDAHY  
5050 S. LAKE DR., Cudahy, WI  
Tuesday, July 25, 2023**

**Roll Call**

Chairman Alderperson Hollenbeck called the meeting to order at 5:30 pm. The following members were present at roll call: Joan Houlehen, Marty Van Hoof, and Bob Poplar. Jeff Schlax, Alderperson Jason Phillips and Jeff Liegler were absent and excused.

Also present was Joyce McArdle, Business Development Specialist; Mayor Thomas Pavlic

**Meeting Statement**

Chairman Hollenbeck read the Statement of Public Notice.

**Minutes**

Member Van Hoof motioned to approve the minutes of the meeting of June 28, 2023. Member Houlehen seconded.

Roll call: 4-0. Motion carried.

**Old Business**

None

**New Business**

**1. Discussion and necessary action on a Parklet Grant Program application from Jerry Kotarak of Joe's K Ranch, 4840 S. Whitnall Avenue.**

Discussion by members on the application, with the notation that the application does not meet the requirements of the original parklet grant program parameters due to the work being done on the property of the K-Ranch. The consensus of the members was that the application met the spirit of the intent of the grant program which was to allow businesses to invest in outdoor infrastructure to active outdoor use of space and that the CDA has a history of assisting businesses with these types of investments. The CDA requested that staff bring revisions to the grant program parameters to allow for non-public right of way projects.

Member Van Hoof motioned to approve the grant program application from Jerry Kotarak of Joe's K Ranch, 4840 S. Whitnall Avenue. Member Poplar seconded.

Roll call: 4-0 Motion carried.

**2. Staff Updates on Economic Development**

Ms. McArdle and Mayor Pavlic provided updates to the CDA on ongoing economic development projects.

Member Van Hoof motioned for adjournment. Member Poplar seconded. 4-0 Motion carried.

Meeting adjourned at 6:16 p.m.

# Memorandum



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Date: August 18, 2023  
To: Community Development Authority  
From: Casey Griffiths, City Administrator  
Re: August 22, 2023 Meeting Agenda Items

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## **Revisions to Parklet Grant Program**

The CDA reviewed a parklet grant application from Joe's K-Ranch at the July meeting. The application did not meet the specific criteria of the grant program as the applicant was proposing new construction for outdoor seating, but on their property rather than within the public right of way. The CDA made the exception as we have not had an application for the grant program until now and that the application met the general intent of allowing for greater business activity outdoors. The CDA asked that I revise the parklet grant program to allow for grants to be given to businesses for outdoor operations on their property as well as within the public right of way. The proposed changes to the grant program are shown in red on the enclosed document and generally include removing specific references to projects only on public rights of way while being more inclusive with work done on private property. Please see the enclosed document for additional information.

## **Tax Increment Financing and Redevelopment District Creation-South Packard**

The CDA requested to discuss potential redevelopment efforts centered on South Packard Avenue. Below is a discussion on the two agenda items for redevelopment efforts, the creation of a new tax increment financing district and the creation of a new redevelopment district. In your agenda packet is an overview of tax increment financing district creation from the City's financial advisor Ehlers. I have also included a legal analysis from the City Attorney Eric Larson on TID creation as it relates to the CDA.

Tax Increment Financing (TIF) is the primary economic development tool for municipalities in the State of Wisconsin and has been successfully used since 1975. The process allows for a municipality to pay for public improvements and other eligible costs within a designated area (called a Tax Increment Financing District or TID). The municipality pays for those improvements and then uses the future taxes collected on the value of the new improvements to repay the costs of the improvements.

### Types of TID

There are five types of TID: mixed use, industrial, blighted area, conservation/rehabilitation, and environmental remediation. For the purposes of our discussion, we'll focus on the mixed use, blighted and conservation/rehabilitation TIDs, as industrial and environmental TIDs are generally non-applicable to the areas of the City being discussed. A TID must be created to include a contiguous geographic area within the City. A City can have multiple TIDs but a single TID must have boundaries where parcels are joined.

#### *Mixed Use*

A mixed use TID is suitable for a mix of uses including industrial, commercial and residential. At least two of the uses must be expected to be in the TID and at least 50% of the total TID area must be deemed suitable for those uses. For newly a platted residential development, the residential area of the TID is limited 35% of residential use with an average residential density of at least three units per acre. The maximum life of a mixed use TID is 20 years.

### *Blighted Area*

A blighted TID must have at least 50% of the TID area being considered blighted. The definition of “blight” is found in Wisconsin Statute §66.1105(2)(ae). Blight is generally defined as areas which includes structures, buildings and improvements that due to age, deterioration, obsolescence, or other factors can be considered detrimental to public safety, morals or welfare of the community. The maximum life of a blighted TID is 27 years.

### *Conservation or Rehabilitation*

At least 50% of the TID area must meet the criteria for rehabilitation or conservation. Again the criteria is defined under statute, specifically §66.1337(2m)(a). Rehabilitation includes carrying out plans for repair of rehabilitation or other improvements, as well as acquiring property, demolition/rehabilitation of property, installing/construction of streets, utilities or other improvements for urban renewal projects which includes the elimination of blighted and deteriorating areas. The maximum life of a conservation or rehabilitation TID is 27 years.

### Eligible TID Project Costs

When a TID is created there are various types of project costs which are able to be funded. These include:

- Public works & public improvements
- Financing
- Real property assembly
- Professional Services
- Relocation
- Cash Grants
- Pro-rated share of utility infrastructure
- Projects within ½ mile of the district

Expenditures on eligible projects must be done within 5 years of the creation of the TID. After the expenditure period ends the TID pays back debt service and other ongoing contracted or administrative costs.

### Valuation Test

In order to create a new TID a valuation test must be made. The requirement is that the proposed base value of the TID must be less than or equal to 12% of the City’s total equalized value. As of 1/1/2023, the City’s total equalized value is \$1,731,179,300. 12% of this is \$207,741,516. The value of the City’s existing TID #5 must also be included in this calculation. The base value of TID #5 is \$7,893,900. This means that any new district’s base value must be less than \$199,847,616.

### Who can create the TID?

Under statutes the Common Council has the authority to create a TID. This authority is found in Wis. Stats. §66.1105(2)(k)(1). This establishes that the “local legislative body” can create a TID.

### Timeline for TID Creation

The creation of a TID requires a minimum of two months, but may vary upwards depending on factors. In order to ensure that an increment is established, the City may want to have a developer specifically we are working with on a specific project before the creation of a TID. This is to ensure that the TID

does not sit idle for a significant period of time without investment. The state has a period of when a TID may be created, which determines when the TID is added to the tax roll, and when the first year tax increment is received. Below is the creation timeframes from the Wisconsin Department of Revenue.

| Resolution Adopting TID | Creation Year | TID Added to Tax Roll | First Year Increment Received | First TID Equalized Value Established |
|-------------------------|---------------|-----------------------|-------------------------------|---------------------------------------|
| 10/1/23- 9/30/24        | 2024          | 2025                  | 2026                          | 8/15/25                               |
| 10/1/24- 9/30/25        | 2025          | 2026                  | 2027                          | 8/15/26                               |
| 10/1/25-9/30/26         | 2026          | 2027                  | 2028                          | 8/15/27                               |
| 10/1/26-9/30/27         | 2027          | 2028                  | 2029                          | 8/15/28                               |

Creation of a Redevelopment District

There is no requirement create a redevelopment district in conjunction with a TID, but it probably makes sense for the CDA to create a redevelopment district to declare a blight. Such a redevelopment district would then work together with any potential TID. The CDA has established redevelopment districts which have coincided with the City’s TIDs. As the entity charged with elimination of blight, the CDA can assist in exercising its powers within a TID to help with redevelopment. In the past the CDA has worked to obtain buy properties, remove blighted buildings and conduct environmental remediation and market properties for redevelopment. If a redevelopment district for South Packard is created the CDA can undertake redevelopment efforts within the TID.

Potential Boundaries

Below are a few options to visually demonstrate the potential boundaries of a South Packard redevelopment district and tax increment financing districts.



***South Packard-  
Redevelopment  
District***

At left is a proposed boundary for a future redevelopment district. This area would include three major properties including:

- Former K-mart
- Former Sentry
- Packard Plaza

Additionally, there are multiple underutilized parcels and blighted properties along the corridor.





**South Packard Tax Increment District #1**

Proposed Boundaries would be Ramsey Avenue on the North and College Avenue to the South. Focus properties for redevelopment would include the former K-Mart site and former Sentry Site.

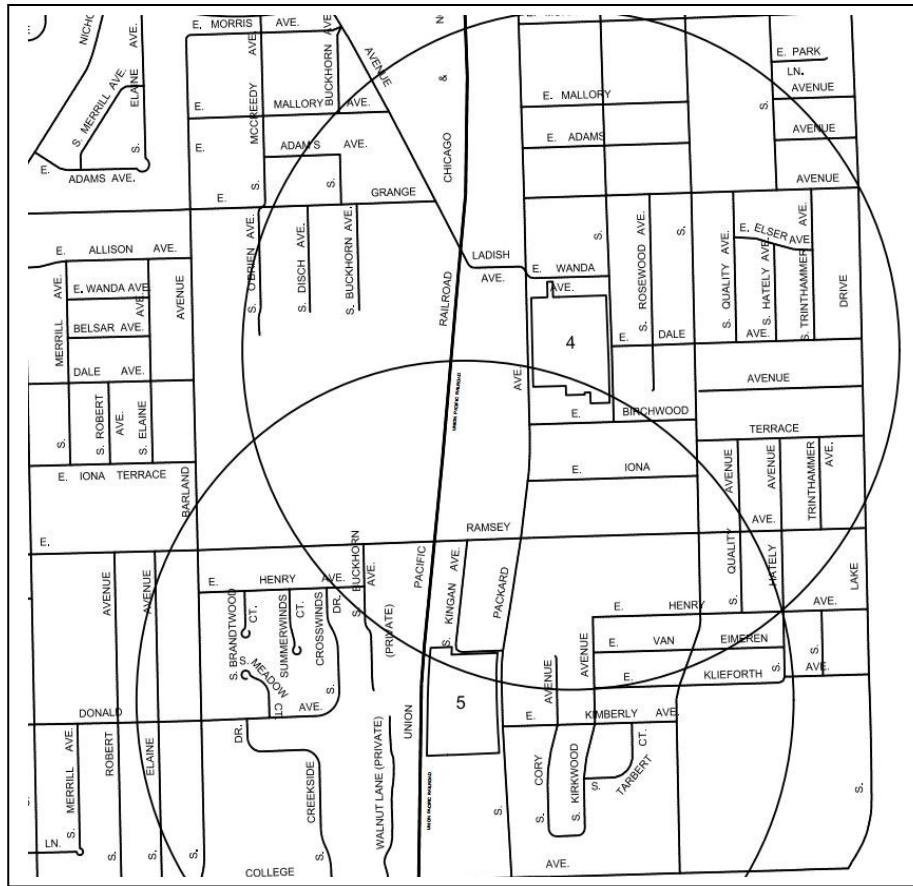
Potential improvements could include a street and utility replacement on Packard Avenue, the extension of Kingan Avenue south to College Avenue and various other street improvements on the former K-Mart property.



**South Packard Tax Increment District #2**

Proposed Boundaries would be Grange Avenue to the north and Ramsey Avenue to the south. The focus property for redevelopment could include Packard Plaza.

Potential improvements could include a street and utility replacement projects on Packard Avenue and acquisition of property along Packard Avenue for redevelopment.



**1/2 Mile Radius**

The map at left shows the radii of 1/2 mile from Packard Plaza and the former K-Mart site. This provides a bit of a visual demonstration of the area of improvements that could be made outside of a TID.

As noted in the Ehlers document, and costs for a project that are within the 1/2 mile of the TID must directly relate to the purpose of the TID.

Please see the enclosed documents from Ehlers and Attorney Larson for additional information.





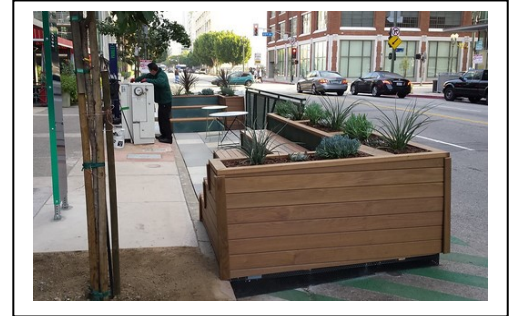
**Parklet & Outdoor Business  
Grant Program  
Application Guide**

**5050 S. Lake Drive  
Cudahy, WI 53110  
414-769-2227**

## Program Overview and Purpose

The City of Cudahy's Parklet & Outdoor Business Grant Program provides funds up to \$5,000 to eligible recipients for the reimbursement of ~~parklet~~ construction and installation costs related to installation of parklets in public rights of way or outdoor business operations. This program aims to support the business community in the wake of the COVID-19 pandemic by providing resources to allow for the safe expansion of business operations outdoors ~~and into~~

~~the public right of way~~. The program ~~is managed by the City of Cudahy Community Development and Public Works Departments and~~ administered by the City of Cudahy Community Development Authority.



## Applicant Eligibility

The following entities or individuals are eligible to apply for a Parklet & Outdoor Business Grant:

- Commercial property owners
- Business owners
- Non-profit organizations

## Project Requirements

~~If the applicat is proposing The~~ a parklet ~~it being proposed~~ must comply with the technical standards required by Chapter 8, Article XI of the Cudahy Municipal Code. Outdoor operations that are not to take place in the right of way must comply with applicable zoning requirements under Chapter 44 of the Cudahy Municipal Code.

City staff will deny applications that are considered detrimental to the public health, safety, or welfare; or if the proposed location is reserved for another public purpose.

Potential applications are required to meet with City staff before completing their application to discuss the project location and preliminary design considerations.

If the parklet is planned to be used for outdoor dining, the application must include the information required for the Sidewalk Cafe Permit.

## Use of Funds

The ~~Parklet~~ Grant Program may issue reimbursement for the following eligible costs:

- Materials necessary to construct and install a parklet, such as:
  - Lumber/plywood
  - Composite decking and other materials for flooring
  - Railing/fencing

- Object Markers, soft-hit posts, signs and barriers meant to increase the visibility of parklets to drivers and cyclists.
- Paints and stains
- Materials to construct built-in seating and tables
- Canopies and shade structures
- Bike racks
- Plants and planting materials
- Lighting
- Solar panels
- Other materials as approved by CDA
- Contracted labor costs necessary for ~~parklet~~ construction and installation
- Permits and licensing fees
- Delivery/shipping costs for materials

### Grant Application Scoring Criteria

City staff will utilize the following scoring criteria when reviewing application and making grant approval recommendations to the CDA:

**Safety** – The proposal strongly considers the safety of ~~parklet~~ users, ~~pedestrians, and other roadway users~~. City staff will deny proposals that are considered detrimental to the public health, safety, or welfare.

**Economic Impact** – The project expands the operations of a business and creates opportunities for economic growth. There is strong potential that the project will influence a ripple effect and promote others to invest in their business or property.

**Sustainability and Permanence** – ~~The parklet is~~ The improvements will be constructed of high-quality, durable materials that are easy to maintain and ensure the structure will have lasting value.

**Place making and Activation** - The proposal creates a unique sense of place and offers multiple amenities that provide comfort to ~~parklet~~ users. The ~~parklet's~~ location demonstrates that it is likely to be well used and active.

**Aesthetic Quality** - The proposal's design is visually appealing through appropriate use of materials, colors, plantings, or other elements that enhance the streetscape and complement neighboring properties.

**Applicant Capability** – The proposal may be reasonably accomplished. The construction and installation work will be conducted by qualified professionals. The improvements ~~parklet~~ will be used and managed by a business/organization that is in good standing without significant community complaints, violations, or citations.

## Application Approval Process & Timeline

Applications will be reviewed monthly as long as funds are available. This is a two year grant program running from January 1, 2023 to December 31, 2024. The following steps are required as part of the application approval process.

1. Potential applicants are required to meet with City staff before completing their application to discuss the project location and preliminary design considerations. ~~Meetings may be held in person at the proposed location of the parklet, at City Hall, or virtually via Zoom or Microsoft Teams.~~ To schedule a meeting, please contact Casey Griffiths at 414-769-2227 or email [caseyg@cudahy-wi.gov](mailto:caseyg@cudahy-wi.gov).
2. Applicants must submit a completed ~~Parklet~~ Grant application form, Parklet Permit Application Form ~~(if constructing a in the right of way)~~, site plan, and detailed cost estimates to [caseyg@cudahy-wi.gov](mailto:caseyg@cudahy-wi.gov).
3. Complete applications will be reviewed ~~and scored~~ by City staff. ~~from the departments of Public Works and Community Development.~~ Staff will make a recommendation on approval ~~to the~~ to the Cudahy Community Development Authority (CDA).
4. The CDA will consider applications at their next scheduled public meeting and will vote to approve or deny. CDA typically meets the fourth Tuesday of every month at 5:30 PM.
5. If approved, City staff will prepare a grant agreement, and once executed the project may proceed.
6. ~~Improvements Parklets~~ must be constructed and installed within one year of the ~~CDA~~ approval date. Longer timelines may be considered in case of extenuating circumstances. Requests to extend an approved timeline must be requested in writing to City staff. The request must include a revised timeline and explanation for delays.

## Project Reimbursement Guidelines

Grants may be funded up to 80% of approved project costs. Maximum funding levels are determined on a case-by-case basis but will generally not exceed \$5,000.

Grant funds will be provided in the form of reimbursement. Reimbursements may be issued once the grant recipient meets the following conditions.

1. The ~~improvements Parklet are~~ fully constructed and installed before the agreed-upon completion date as defined by the grant agreement.









| <b>E. Summary of Ineligible Costs covered by Applicant</b>                      |  |
|---|--|
| <b>Proposed Ineligible Costs</b> (storage expenses, removable furniture, games) | <b>Cost Estimate</b><br>(documentation not required) |
|   |  |
|   |  |
|   |  |
|   |  |
|   |  |
|   |  |
|   |  |
| <b>Total:</b>   |  |

**Application Checklist**

The following materials must be submitted to the City as part of a complete grant application packet.

- **Parklet** Grant Application Form
- Parklet Permit Application Form (if constructing in the right of way)
- **Parklet** Site plan
- Cost estimate for **parklet** construction and installation, including a line-item list of proposed materials. Images and brand/model information for proposed materials is required.

**Certification**

*The undersigned hereby certifies to the best of his/her/their knowledge and belief that the information contained in this Application and any exhibits or attachments hereto is true and complete and accurately describes the proposed project. I understand that the Community Development Authority of the City of Cudahy has the right to verify this information and will be in contact with those individuals and institutions involved in the proposed project. False information, in addition to disqualifying me from any further consideration for financial assistance, may also subject me to litigation to recover the City's expenses related to reviewing this application and/or the costs to collect granted funds. I understand that the Community Development Authority of the City of Cudahy may release information for public purposes regarding the project, excluding any confidential financial information.*

**Applicant Name (Print):** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Applicant Company/Organization Name (Print):** \_\_\_\_\_

**Applicant Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

August 8, 2023

# OVERVIEW OF TIF CREATIONS



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Prepared by:

Ehlers  
N19W24400 Riverwood Drive, Suite 100  
Waukesha, WI 53188

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**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

## **Creating a Tax Incremental District (TID)**

This is an overview of the TIF creation process. It includes information on the type of districts, eligible costs, and other criteria that must be satisfied.

### **Boundary**

A TID may only contain whole tax parcels and that all parcels must be contiguous. For purposes of determining contiguity, all parcels must touch at least one other parcel at a point discounting any intervening rights of way.

### **Types of Districts**

#### **INDUSTRIAL**

Whether the parcel is zoned and suitable for industrial development. At least 50% of the TID area must meet these criteria, with TID area defined as the total of all parcels and right of way areas included within the proposed boundary.

**NOTE:** if industrial zoning is not yet in place for at least 50% of the TID area, the zoning change must occur prior to governing body approval of the resolution creating the TID.

#### **MIXED USE**

The TID area must be suitable for: residential, commercial, or industrial. Development of at least two of these uses within the TID must be expected, and at least 50% of the total TID area must be suitable for those uses, with TID area defined as the total of all parcels and right of way areas included within the proposed boundary.

Limited to 35% of TID area utilized for newly platted residential development.

**NOTE:** Project Costs may only be incurred for newly platted residential development that has an average density of at least three units per acre, is located within a conservation subdivision, or is located within a traditional neighborhood design.

## **BLIGHTED AREA**

At least 50% of the TID area must meet this criterion, with TID area defined as the total of all parcels and right of way areas included within the proposed boundary. Wis. Stat. § 66.1105(2)(ae) defines blighted areas as follows:

1. "Blighted area" means any of the following:
  - a. An area, including a slum area, in which the structures, buildings or improvements, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of these factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare.
  - b. An area which is predominantly open and which consists primarily of an abandoned highway corridor, as defined in s. 66.1333 (2m) (a), or that consists of land upon which buildings or structures have been demolished and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community.
2. "Blighted area" does not include predominantly open land area that has been developed only for agricultural purposes.

## **IF IN NEED OF REHABILITATION OR CONSERVATION**

At least 50% of the TID area must meet this criterion, with TID area defined as the total of all parcels and right of way areas included within the proposed boundary). Wis. Stat. § 66.1337(2m)(a) defines rehabilitation or conservation work as follows:

- (a) "Rehabilitation or conservation work" includes any of the following:
  1. Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements.

2. Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities.
  3. Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project.
  4. The disposition, for uses in accordance with the objectives of the urban renewal project, of any property acquired in the area of the project. The disposition shall be in the manner prescribed in this section for the disposition of property in a redevelopment project area.
- (b) "Urban renewal project" includes undertakings and activities for the elimination and for the prevention of the development or spread of slums or blighted, deteriorated or deteriorating areas and may involve any work or undertaking for this purpose constituting a redevelopment project or any rehabilitation or conservation work, or any combination of the undertaking or work.

## ENVIRONMENTAL REMEDIATION

Whether the parcel contains significant environmental contamination. (At least 51% of the TID area must meet this criterion, with TID area defined as the total of all parcels and right of way areas included within the proposed boundary).

NOTE: Requires certified site investigation report from the Department of Natural Resources.



| Type                           | Max Life | At Least 50% of Proposed District Area Must Be:                       | Newly Platted Residential          |
|--------------------------------|----------|---|------------------------------------|
| Mixed Use                      | 20 Years | Suitable for combination of industrial, commercial & residential uses | Max 35% (plus density requirement) |
| Industrial                     |          | Zoned & suitable for industrial development                           | Not Allowed                        |
| Blighted Area                  | 27 Years | Blighted  | Not Allowed                        |
| Conservation or Rehabilitation |          | In need of conservation or rehabilitation                             | Not Allowed                        |
| Environmental Remediation      |          | Containing significant environmental pollution                        | Not Allowed                        |

**Eligible Project Costs**

|  |   |  |   |
|--|---|--|---|
| Public works & improvements                | Financing   | Real property assembly (land write-down) | Professional services   |
| Administrative & organizational            | Contributions to Community Dev. or Redev. Authority | Relocation                               | Pro-rated share of utility infrastructure (municipality-wide) |
| Cash grants (requires developer agreement) | Environmental remediation                           | Projects within ½ mile of district       |   |

NOTE: All costs must directly relate to purpose of TID, including ½ mile.

### Expenditure Period

Ends 5 years prior to end of maximum life for all district types.

After expenditure period ends, TID may continue to pay:

- Debt service on existing obligations
- Contractually-obligated expenses
- Ongoing administrative expenses
- If designated donor TID, district may continue to donate increment

### 12% Valuation Test

Increment value of existing TID(s)

+ proposed base value of new district(s)

**Must be < 12% of total Equalized Value**

As of 1/1/2023 the City's total equalized value is \$1,731,179,300. 12% of this amount is \$207,741,516. The incremental value of TID #5 is \$7,893,900. This means the base value (value at time of creation) of a new district must be less than \$199,847,616.

NOTE: The incremental value of existing Environmental TID's does not count towards the 12% test.

# Municipal LAW

& L I T I G A T I O N G R O U P

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JOHN P. MACY  
H. STANLEY RIFFLE (Court Commissioner)  
ERIC J. LARSON  
REMZY D. BITAR

730 N. GRAND AVENUE  
WAUKESHA, WISCONSIN 53186  
Telephone (262) 548-1340  
Direct (262) 806-0215  
Facsimile (262) 548-9211  
Email: [elarson@ammr.net](mailto:elarson@ammr.net)

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August 16, 2023

Casey Griffiths, City Administrator  
City of Cudahy  
5050 S. Lake Drive  
Cudahy, WI 53110

**Re: 6143 Packard Avenue  
TID Issues  
Legal Analysis**

Dear Mr. Griffiths:

I understand that the City is considering creating a TID in the area of the above-noted property. I received your direction to research certain TID issues involving the Community Development Authority (CDA). I have had an opportunity to carefully consider this matter.

Based upon my research, I have the following comments, questions, concerns and recommendations in this regard:

1. Question. "Can the CDA create the TID, or can that only be done by the Common Council?"

My Response. This must be done by the Common Council. Wisconsin Statutes Section 66.1105(2)(k)(1) defines "Tax Incremental District" as follows:

"Tax incremental district" means a contiguous geographic area within a city defined and **created by resolution of the local legislative body**, consisting solely of whole units of property as are assessed for general property tax purposes, other than railroad rights-of-way, rivers or highways. Railroad rights-of-way, rivers or highways may be included in a tax incremental district only if they are continuously bounded on either side, or on both sides, by whole units of property as are assessed for general property tax purposes which are in the tax incremental district. "Tax incremental district" does not include any area identified as a wetland on a map under s. 23.32, except for an area identified on such a map that has been converted in compliance with state law so that it is no longer a wetland and except as provided in subd. 2.

The bolded language states a TID is created by a resolution of the "local

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Casey Griffiths  
August 16, 2023  
Page 2

legislative body.” The term local legislative body is defined to mean the common council, in Wis. Stats. Section 66.1105(2)(c).

2. Question. “Can it be a general purpose TID, or does it need to be more specific?”

My Response. There are 5 types of municipal TIDs. Those are: Blight, Rehabilitation/conservation, Industrial, Mixed-use, Environmental Remediation. Therefore, the TID needs to fit into one of these categories.

3. Question. “Does the CDA need to create a development district for the TID area?”

My Response. No. The City only needs to determine a specific physical area that makes up the TID. That said, there may be other reasons for the CDA to declare a blight and establish the development district, to work in tandem with the TID.

4. Question. “What is the general timeline to create the TID?”

My Response. The process requires a minimum of two months, but exactly how long it takes would depend on many factors. If we want to pin down an initial developer before creating the TID, that could take many months, possibly more than a year.

I am including a link in the footnote below to a DOR “Tax Incremental District (TID) Creation Timeframes” document which outlines other relevant dates related to TID creation which may be helpful<sup>1</sup>.

If you have any questions or concerns regarding this matter, please do not hesitate to contact me.

Yours very truly,

MUNICIPAL LAW & LITIGATION GROUP, S.C.

*Eric J. Larson*

Eric J. Larson

EJL/BTC/em

cc: Kelly Sobieski, Director of Office Services

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<sup>1</sup> [TID Creation Timeframes \(wi.gov\)](#)