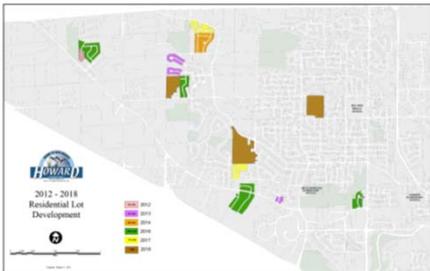


The results have been phenomenal.

- ▶ The village installed a small addition to an existing subdivision in 2012, which created 14 lots.
- ▶ In 2013, another addition to the Valley Brooke Subdivision was added using this method, creating 36 lots.
- ▶ In 2014, 63 lots were created.
- ▶ In 2016, 189 lots were created.
- ▶ In 2017, 51 lots were created.
- ▶ Three preliminary plats have been approved that will create 102 additional lots in 2018.

See the difference a village-funded addition made to the Valley Brooke Subdivision









The village's next goal was to develop a city center.

- ▶ For years, the Village Board wanted to create a central place for residents to gather.
- ▶ The area named the Village Center was identified in the late 1990s.
- ▶ A plan was adopted in 2003 but was shelved when the recession hit.
- ▶ The development is to be mixed use and has attracted a large senior housing project, a large dance and performing arts studio, as well as some single-family and condominium development.
- ▶ To add vibrancy, the village wanted to add multifamily and office users.

Private multifamily developers wanted exorbitant incentives for the project.

- ▶ The village hired an architect to put together a site plan and started the rezoning process to entice developers.
- ▶ Village staff sent out a detailed RFP to numerous developers and received little interest.
- ▶ The few that were interested consistently told the village that a lot of TIF would be needed because rents in Brown County are significantly lower than in the Milwaukee area and Dane County.
- ▶ The need for TIF can be determined by the amount a project costs to build and what a reasonable investor would pay for the project when stabilized.
- ▶ For a private party to develop upscale apartments in Brown County, some TIF would be needed.
- ▶ The tax rate in Howard is \$16.72 per thousand. That does not generate nearly as much TIF as in most communities.

The village realized it could develop the project at a fraction of the cost.

- ▶ With the Village acting as the developer, TIF is not needed because an immediate return on investment is not demanded. The idea for the Howard Commons Luxury Apartments was born.
- ▶ Howard Commons Phase I is two buildings that total 124 units.
- ▶ Howard Commons Phase II is a third building with 45 units.
- ▶ Howard Commons will pay all the normal permit fees to the village and will pay a "tax" payment annually to the TIF, just like a developer.
- ▶ Village proformas show that the gap between the construction cost and the price an investor would pay for the buildings is eliminated as rent increases and debt is paid down.
- ▶ This eliminates the need for TIF.

The Howard Commons project was another one that just made sense.

- ▶ The advantages of the village's involvement in the development of the Howard Commons Luxury Apartments include:
 - ▶ Design and quality can be maintained. The village gets what it wants.
 - ▶ Small retail spaces can be created that developers were hesitant to build.
 - ▶ All "taxes" are kept in TIF, not used to pay back incentive.
 - ▶ Lower interest on debt.
 - ▶ Lower developer fees.
- ▶ The disadvantages of the village's involvement are:
 - ▶ There is a lack of flexibility to negotiate construction costs.
 - ▶ Public performance bond requirements often eliminate smaller contracts that could perform the work.